DOCUMENT RESUME

ED 139 303 HE 007 761

AUTHOR	Glenny, Lyman A.; And Others
TITLE	State Budgeting for Higher Education: Data Digest.
INSTITUTION	California Univ., Berkeley. Center for Research and Development in Higher Education.
SPONS AGENCY	Ford Foundation, New York, N.Y.; National Inst. of Education (DHEW), Washington, D.C.
PUB DATE	75
GRANT	NE-G-00-3-0210
NOTE	384p.; Some text and charts may be marginally legible due to small type
AVAILABLE FROM	Center for Research and Development in Higher Education, University of California, Berkeley, California 94720
EDRS PRICE	MF-$0.83 HC-$20.75 Plus Postage.
DESCRIPTORS	*Budgets; Comparative Analysis; Evaluation; *Higher Education; *Management; Objectives; Organization; Personnel Policy; Program Descriptions; Staff Utilization; *State Agencies; *State Programs; Statewide Planning; Tables (Data)

ABSTRACT

In July 1973, the Center for Research and Development in Higher Education, University of California, Berkeley, began a three-year, 50-state study of procedures used by state agencies in formulating the budgets of colleges and universities. This document describes and analyzes the progress of institutional budget requests through the state-level agencies from the time that pre-budget submission instructions are first issued by a state agency until institutional budget requests become legislative appropriations. The primary emphasis is on budget review and analysis process and the procedures used by the state agencies. It concentrates on the administrative interfaces between the several state agencies that review and analyze budgets and between these agencies and the institutions, or systems of institutions, of higher education. It is accompanied by a limited examination of budget development processes for two-year colleges. Seventeen states form the basis for narrative and tabular description and comparison. The tables and state descriptions present the basic data from these states. (Author/KE)

****
* Documents acquired by ERIC include many informal unpublished *
* materials not available from other sources. ERIC makes every effort *
* to obtain the best copy available. Nevertheless, items of marginal *
* reproducibility are often encountered and this affects the quality *
* of the microfiche and hardcopy reproductions ERIC makes available *
* via the ERIC Document Reproduction Service (EDRS). EDRS is not *
* responsible for the quality of the original document. Reproductions *
* supplied by EDRS are the best that can be made from the original. *
****

State Budgeting for Higher Education: Data Digest

LYMAN A. GLENNY
FRANK M. BOWEN
RICHARD J. MEISINGER, JR.
ANTHONY W. MORGAN
RALPH A. PURVES
FRANK A. SCHMIDTLEIN

BEST COPY AVAILABLE

U S DEPARTMENT OF HEALTH
EDUCATION & WELFARE
NATIONAL INSTITUTE OF
EDUCATION

THIS DOCUMENT HAS BEEN REPRODUCED EXACTLY AS RECEIVED FROM THE PERSON OR ORGANIZATION ORIGINATING IT. POINTS OF VIEW OR OPINIONS STATED DO NOT NECESSARILY REPRESENT OFFICIAL NATIONAL INSTITUTE OF EDUCATION POSITION OR POLICY

CENTER FOR RESEARCH AND DEVELOPMENT IN HIGHER EDUCATION
UNIVERSITY OF CALIFORNIA BERKELEY

CENTER FOR RESEARCH AND DEVELOPMENT IN HIGHER EDUCATION

UNIVERSITY OF CALIFORNIA, BERKELEY

The Center for Research and Development in Higher Education is engaged in research designed to assist individuals and organizations responsible for American higher education to improve the quality, efficiency, and availability of education beyond the high school. In the pursuit of these objectives, the Center conducts studies which: 1) use the theories and methodologies of the behavioral sciences; 2) seek to discover and to disseminate new perspectives on educational issues and new solutions to educational problems; 3) seek to add substantially to the descriptive and analytical literature on colleges and universities; 4) contribute to the systematic knowledge of several of the behavioral sciences, notably psychology, sociology, economics, and political science; and 5) provide models of research and development activities for colleges and universities planning and pursuing their own programs in institutional research.

The research reported herein was supported by Grant No. NE-G-00-3-0210 from the U. S. Department of Health, Education, and Welfare, and Grant No. 730-0552 from the Ford Foundation. Contractors undertaking such projects under Government sponsorship are encouraged to express freely their professional judgement in the conduct of the project. Points of view or opinions stated do not, therefore, necessarily represent the official position or policy of the National Institute of Education or the Ford Foundation.

State Budgeting for Higher Education: Data Digest

LYMAN A. GLENNY
FRANK M. BOWEN
RICHARD J. MEISINGER, JR.
ANTHONY W. MORGAN
RALPH A. PURVES
FRANK A. SCHMIDTLEIN

BEST COPY AVAILABLE

CENTER FOR RESEARCH AND DEVELOPMENT IN HIGHER EDUCATION
UNIVERSITY OF CALIFORNIA BERKELEY, 1975

Acknowledgements

We are expecially grateful for the financial support provided jointly by the National Institute of Education and The Ford Foundation. This cooperative venture of public and private funding agencies has provided a very hospitable environment for research.

An exceptionally high degree of cooperation and assistance was provided by state and institutional officials, often at considerable time and expense and, in many instances, during particularly busy periods. Needless to say, the study was entirely dependent on such help and we are especially grateful for their generous contributions. Answering questionnaires, providing documents, arranging interviews, and responding to letters and telephone inquiries are not the most rewarding activities for some of the busiest officials in state government. Yet all were most helpful.

The representatives of the national organizations who comprised our National Advisory Panel and the individuals who comprised the Technical Advisory Panel made significant contributions to this report through their critical comments and useful suggestions in response to project plans and report drafts. Their assistance broadened our perspectives and provided many useful insights. We are most appreciative. The members of both panels are listed below:

National Advisory Panel

American Association of Community and Junior Colleges
Dr. Edmund J. Gleazer, Jr., Executive Director

American Association of State Colleges and Universities
Dr. Allan W. Ostar, Executive Director

American Council on Education
Dr. Lyle H. Lanier, Director, Office of Administrative Affairs

Education Commission of the States
Dr. Richard M. Millard, Director, Higher Education Services

National Association of State Budget Officers
Mr. Edwin W. Beach, Past President

National Association of State Universities and Land-Grant Colleges
Dr. Ralph K. Huitt, Executive Director

National Center for Higher Education Management Systems
Dr. Paul Wing, Senior Staff Associate

State Higher Education Executive Officers Association
Dr. Warren G. Hill, Past President

Technical Advisory Panel

Dr. Frederick E. Balderston
Chairman, Center for Research in Management Science
University of California, Berkeley

Mr. Edwin W. Beach
Chief, Budget Division
California State Department of Finance

Mr. Harry E. Brakebill
Executive Vice Chancellor
California State University and Colleges

Dr. Allan M. Cartter
Graduate School of Education
University of California, Los Angeles

Mr. Loren M. Furtado
Assistant Vice President--Budgeting and Planning, and Director of the Budget
University of California

Dr. Eugene C. Lee
Director, Institute of Governmental Studies
University of California, Berkeley

Mr. John C. Mundt, Executive Director
Washington State Board for Community College Education

Dr. Morgan Odell, Executive Secretary
Association of Independent California Colleges and Universities

Dr. Aaron B. Wildavsky
Dean, Graduate School of Public Policy
University of California, Berkeley

Dr. Paul E. Zinner
Professor of Political Science
University of California, Davis

Finally, we wish to thank Helen Barr, Gail Chiarrello, Dianne Sharon Friedman, Diane Griffin, and Deborah Lloyd for preparation of the manuscript and Eric Skjei for his editorial assistance.

Preface

In July 1973, the Center for Research and Development in Higher Education, University of California, Berkeley, began a three-year, 50-state study of the procedures used by state agencies in formulating the budgets of colleges and universities. Financial support for the study is being jointly furnished by the National Institute of Education (60 percent) and the Ford Foundation (40 percent). The study is being directed by Lyman A. Glenny, Director of the Center. The study is endorsed by the following organizations:

American Association of Community and Junior Colleges
American Association of State Colleges and Universities
American Council on Education
Education Commission of the States
National Association of State Budget Officers
National Association of State Universities and Land-Grant Colleges
National Center for Higher Education Management Systems
State Higher Education Executive Officers

The twofold purpose of the study is to advance budgetary theory and to give state and institutional budget professionals a broader understanding of: (1) the interrelationships, roles, functions, and objectives of the state agencies in the budgetary process; (2) the congruence or incongruence of such objectives among the several agencies; and (3) the practices and procedures that build confidence in the fairness of the budgetary process.

The study describes and analyzes the progress of institutional budget requests through the state-level agencies from the time that pre-budget submission instructions are first issued by a state agency until institutional budget requests become legislative appropriations. The primary emphasis of the study is on the budget review and analysis process and the procedures used by the state agencies; the study concentrates on the administrative interfaces between the several state agencies which review and analyze budgets and between these agencies and the institutions, or systems of institutions, of higher education. The major focus on state review of the operating budgets of four-year colleges and universities is accompanied by a limited examination of budget development processes for two-year colleges.

In the 17 selected states, intensive interviews, document review, and questionnaires have formed the basis for narrative and tabular description and comparison. These 17 states are broadly representative of economic, geographic, and demographic factors, and possess as well a broad range of characteristics more directly related to higher education and budgetary processes. The tables and state descriptions in this report present the basic data from these states.

Less detailed data are now being collected from all 50 states by questionnaire only. These data, together with the more detailed 17-state data, will be examined and presented in an analytical report. Budgetary practices will be categorized and compared. Similarities and differences will be analyzed and explained. Several technical areas of budgeting, including the use of formulas and information systems, will be analyzed in depth. In addition, selected propositions of organization theory will be tested. The analytical report will be released early in 1976.

Contents

Page

Acknowledgements. iii

Preface vii

List of Tables: Part I xiii

List of Tables: Part II. .xiv

List of Tables: Appendixes xx

INTRODUCTION. 1

Organization of the Report. 1

Conduct of the Study. 2

Limits of the Study 5

PART I: OVERVIEW OF STATE HIGHER EDUCATION BUDGET PROCESS

Organization. 11

Structural Classification of Agency Staffs. 11

Executive Budget Staff. 12

Legislative Fiscal Staff. 12

State Higher Education Agency Staff 14

Audit Staff 15

Summary 17

Staff Organization. 17

Executive and Legislative Staff 18

State Higher Education Agency Staff Functions 22

Staff Personnel Matters 23

Civil Service 24

Academic Background and Recruiting Policy 25

Process and Procedure 27
  Overview 27
  Presubmission Activity 31
    Agency Roles 31
    Budget Instructions. 33
    Target Figures 34
  Organizational Budget Requests 35
    Definition of Organizational Request 35
    Format of Organizational Request 37
    Submission of Organizational Request 38
    Grouping of Campus Requests. 38
  Agency Review and Analysis 41
    Agencies Reviewing Budgets 41
    Time and Information Available 42
    Review Techniques. 46
    Determination of Faculty Salaries. 51
    Statewide Master Plans 52
  Executive and State Higher Education Agency Hearings 54
    Nature of Hearings 54
    Staff Relationships. 55
  Recommendations of State Higher Education Agency 56
  Governor's Budget. 58
    Grouping of Campuses 58

Format of Governor's Budget 59

Legislative Review and Appropriation. 60

Character of Legislative Review 60

Staffing of Legislative Committees. 61

Legislative Appropriation Committee Hearings. 62

Budget Bill 65

Governor's Veto 75

PART II: TABULAR COMPARISON OF STATE HIGHER EDUCATION BUDGETING PRACTICES

Explanatory Note. 79

Structural Classification and Staff Organization of Agency Staffs. 82

Staff Personnel Matters 108

Presubmission Activity 132

Organization Budget Request 136

Agency Review and Analysis. 140

Executive and State Higher Education Agency Hearings. 192

Governor's Budget 204

Legislative Review and Appropriation 210

Community Colleges. 240

Budget Process Time Intervals 296

PART III: DESCRIPTIONS OF INDIVIDUAL STATE BUDGETARY PROCESSES

California 255

Colorado 262

Connecticut 268

Florida 275

Hawaii 283

Illinois 288

Kansas 294

Michigan 300

Mississippi 306

Nebraska 312

New York 318

Pennsylvania 324

Tennessee 331

Texas 338

Virginia 344

Washington 350

Wisconsin 357

Appendix A: Sampling Procedure for Selection of The Seventeen States 365

Appendix B: Representative Special Studies 369

List of Tables: Part I

Table 1. State higher education agencies. 14

Table 2. Performance audit staff location and studies of higher education 16

Table 3. Numbers of full time professional staff assigned to higher education operating budget review by types of staffs 19

Table 4. Staff perceptions of review effort as either routine/technical or policy. 20

Table 5. Compensation of heads of executive and legislative staffs by quintiles of population. 21

Table 6. Statutory responsibility for information, tuition, and budgetary formulas by types of state higher education agencies 23

Table 7. Applicability of civil service to state higher education agency staff. 25

Table 8. Characterization of budget requests by type of grouping of campus requests. 40

Table 9. Number of weeks between issuance of budget instructions request and beginning of budget year 43

Table 10. Lowest levels of aggregation of information availability and use by state executive and legislative staff in budget review. . . . 45

Table 11. Use of formula calculations for selected functional areas and in nine states 47

Table 12. Selected strategies for review of higher education budget base by state agencies. 49

Table 13. Performance of special issue studies by executive and legislative staffs 50

Table 14. Frequency of designation or basis of faculty salary increase increments in seventeen states 51

Table 15. Duration of legislative committee hearings by type of committee. . . 64

Table 16. Number of budget bills by type of state higher education agency. . . 66

Table 17. Agencies drafting budget bills and number of budget bills. 68

List of Tables: Part II

Structural Classification and Staff Organization of Agency Staffs

Table 1. Professional staff size and allocation of time to higher education operating budgets: executive budget office. 82

Table 2. Legislative committees responsible for higher education operating budgets: professional staffing. 84

Table 3. Professional staff size and allocation of time to higher education operating budgets: joint legislative budget or fiscal committee 86

Table 4. Professional staff size and allocation of time to higher education operating budgets: upper legislative house fiscal or budget committee. 88

Table 5. Professional staff size and allocation of time to higher education operating budgets: lower legislative house fiscal or budget committee 90

Table 6. Professional staff size and allocation of time to higher education operating budgets: consolidated governing board. 92

Table 7. Professional staff size and allocation of time to higher education operating budgets: coordinating agency 94

Table 8. Professional staff size and allocation of time to higher education operating budgets: state department of education 96

Table 9. State agency performance audit staffs: existence, location, and size of professional staff 98

Table 10. Organizational distance between governor and budget office analysts for higher education. 100

Table 11. Organizational distance between legislators and legislative fiscal staff for higher education. 102

Table 12. Statutory responsibilities of state higher education agencies. . . .104

Table 13. Type of statewide coordination of higher education and extent of budgetary activity of coordinating agencies, 1973-74. 106

Staff Personnel Matters

Table 14. Annual compensation of executive officers of state agencies with responsibility for higher education operating budgets for 1973-74 108

Table 15. Applicability of civil service and/or merit appointment regulations to state agency professional staff with higher education operating budget responsibilities 110

Table 16. Executive budget office preferences on academic background for its professional staff in general and for its staff with responsibility for higher education operating budgets 112

Table 17. Legislative fiscal committee preferences on academic background for its professional staff in general and for its staff with responsibility for higher education operating budgets 114

Table 18. Consolidated governing board preferences on academic background for its professional staff in general and for its staff with responsibility for higher education operating budgets 116

Table 19. Coordinating agency preferences on academic background for its professional staff in general and for its staff with responsibility for higher education operating budgets 118

Table 20. State department of education staff preferences for its professional staff in general and for its staff with responsibility for higher education operating budgets 120

Table 21. General policy or tendency of state agencies with responsibility for higher education operating budgets to recruit professional staff directly from college 122

Table 22. General policy or tendency of state agencies with responsibility for higher education operating budgets to recruit professional staff from within the state 124

Table 23. General policy or tendency of state agencies with responsibility for higher education operating budgets to recruit professional staff from other state agencies 126

Table 24. General policy or tendency of state agencies with responsibility for higher education operating budgets to recruit professional staff from institutions of higher education 128

Table 25. General policy or tendency of state agencies with responsibility for higher education operating budgets to recruit professional staff from business or industry. .130

Presubmission Activity

Table 26. Instructions for preparation of higher education operating budgets: issuance and receipt .132

Table 27. Target figures for higher education operating budgets: issuance, form, and scope 134

Organizational Budget Requests

Table 28. Operating budget requests of consolidated governing boards: identification of individual campuses. 136

Table 29. Operating budget requests of multicampus systems: identification of individual campuses 138

Table 30. Number of months available to state agencies for review of higher education operating budget requests in states with consolidated governing boards 140

Table 31. Number of months available to state agencies for review of higher education operating budgets in states with coordination other than through consolidated governing boards 142

Table 32. Number of months available to legislative committee staffs for review of governor's budget requests for higher education. 144

Table 33. State agency review of higher education operating budgets: computerized data bases. 146

Table 34. State agencies review of higher education operating budgets: lowest level at which data are routinely available 148

Table 35. State agencies review of higher education operating budgets: lowest level at which routinely available data are regularly used 150

Table 36. State agencies review of higher education operating budget requests: availability of campus operating budget requests and institutional data 152

Table 37. State higher education agency review of operating budgets: cross-state comparisons as major criteria for determining general level of funding of higher education 154

Table 38. Basis for budget request: use of budgetary formulas or indicators for instruction and departmental research. 156

Table 39. Basis for budget request: formula calculations used by state agencies for selected functional areas in higher education operating budgets 158

Table 40. Basis for budget request: percentage of total higher education operating budget request generated by formula. 160

Table 41. Factors of formula elements used for computing the instructional portion of higher education operating budgets: student credit unit per FTE faculty. 162

Table 42. Factors of formula elements used for computing the instructional portion of higher education operating budgets: student-faculty ratios. 164

Table 43. Factors or formula elements used for computing the instructional portion of higher education operating budgets: unit costs. 166

Table 44. State agency review of higher education operating budgets: analyses of instructional costs 168

Table 45. Review of higher education budget bases: executive budget office strategies or procedures. 170

Table 46 Review of higher education budget bases: legislative fiscal staff strategies or procedures. 172

Table 47. Review of higher education budget bases: consolidated governing board strategies or procedures. 174

Table 48. Review of higher education budget bases: coordinating agency strategies or procedures. 176

Table 49. Review of higher education budget bases: state department of education strategies or procedures. 178

Table 50. State agency review of higher education operating budgets: special issue studies 180

Table 51. Determination of level of faculty salary support by state agencies: emphasis in analysis and nature of increments. 182

Table 52. Determination of level of faculty salary support: use of in-state and across-state comparative data by state agencies 184

Table 53. Statewide higher education master plans (or major phases of plans) in 1974: status and year of adoption. 186

Table 54: Statewide master plans for higher education: time frame, type, and responsibility for preparation. 188

Table 55. Statewide master plans for higher education: selected provisions .190

Executive and State Higher Education Agency Hearings

Table 56. State higher education agency staff hearings on institutional budget requests 192

Table 57. State higher education agency board hearings on institutional budget requests 194

Table 58. State higher education agency recommendations on higher education operating budget requests: identification of separately governed campuses. 196

Table 59. State higher education agency recommendations on higher education operating budget requests: identification of campuses under consolidated governing boards 198

Table 60. State higher education agency recommendations on higher education operating budget requests: identification of individual campuses of multicampus systems .200

Table 61. Executive budget office hearings on higher education operating budgets: nature, subject matter, and results 202

Governor's Budget

Table 62. Governor's budget: identification of separately governed campuses.204

Table 63. Governor's budget: identification of individual campuses of multicampus systems 206

Table 64. Governor's budget: identification of individual campuses under a consolidated governing board. .208

Legislative Review and Appropriation

Table 65. Joint legislative fiscal committee hearings on higher education operating budget requests: nature, focus, and duration. 210

Table 66. Joint legislative fiscal committee hearings on higher education operating budgets: regular attendance. 212

Table 67. Upper legislative house fiscal committee hearings on higher education operating budget requests: nature, focus, duration, and staffing 214

Table 68. Upper legislative house fiscal committee hearings on higher education operating budgets: staff who regularly attend. 216

Table 69. Lower legislative house fiscal committee hearings on higher education operating budget requests: nature, focus, duration, and staffing 218

Table 70. Lower legislative house fiscal committee hearings on higher education operating budgets: staff who regularly attend. 220

Table 71. Legislative committee and committee staff review of higher education operating budgets: public reports. 222

Table 72. Budget bill for higher education operating budgets: drafting agency and number of bills. 224

Table 73. Budget bill for higher education operating budgets: format 226

Table 74. Budget bill for higher education operating budgets: number of organizational appropriations for four-year institutions in relation to number of requests and number of campuses, and number of lines per organizational appropriation. 228

Table 75. Budget bill for higher education operating budgets: identification of separately governed campuses. 232

Table 76. Budget bill for higher education operating budgets: identification of individual campuses of multicampus systems 234

Table 77. Budget bill for higher education operating budgets: identification of individual campuses under a consolidated governing board 236

Table 78. Gubernatorial veto: nature of authority 238

Community Colleges

Table 79. Community colleges: type, governance, and number. 240

Table 80. Community college operating budgets: source of revenues 242

Table 81. Two-year and four-year institution budget submissions: similarity . .244

Budget Process Time Intervals

Table 82. Major time intervals (in weeks) in formulation of higher education operating budgets: states with consolidated governing boards. 244

Table 83. Major time intervals (in weeks) in formulation of higher education operating budgets: states with coordinating agencies or state departments of education having budgetary review authority. 246

Table 84. Major time intervals (in weeks) in formulation of higher education operating budgets: states with coordinating agencies or state departments of education which do not have or do not exercise budgetary review authority. 248

List of Tables: Appendixes

Table A-1 Seventeen states by region 365

Table A-2 Seventeen states by type of state higher education agency. 366

Table A-3 Distribution of appropriations for higher education of seventeen states by national quintiles 367

Introduction

At the heart of the excitement and challenge of state budgeting for colleges and universities is its complexity and diversity. The tables in Part II, the individual state descriptions and flow charts in Part III, and this overview present elements of the complexity across 17 states. These elements, others which are less susceptible to tabular presentation, and additional data from other states will be the foundation for a subsequent analytic report focusing on the effectiveness of the widely varying practices.

Organization of the Report

The three parts of this report provide three perspectives on state budgetary processes. The basic framework is the tabular presentations of Part II which narrowly focus on specific variables across states. Because a table, even when footnoted, is often a blunt instrument wedging a unique state characteristic into a Procrustean bed, Part III supplements the tables by locating key variables in the context of each state. Here, in Part I, both the tables in Part II and the individual state descriptions in Part III are summarized at a high level of generality.

The budgetary process in each state is a set of complex practices imbedded in a distinctive legal and organizational structure surrounded by unique traditions and politics. Each of the three presentations of data in this preliminary report contributes, we believe, toward an understanding of this uniqueness and complexity. None of them, however, nor the preliminary report as a whole, attempts to impose conceptual coherence on the data. We have deliberately avoided all but the most elementary analytic comment in this ordering of widely varying practices. This is only a first step toward broader generalization and analysis, not only by us as the present study continues, but, hopefully, by others concerned with state support of higher education.

Conduct of the Study

The scope of the study is deliberately limited to statewide operating budget formulation. Statewide denotes a focus on state agencies: the executive budget office, legislative fiscal staff, and the staff of state higher education agencies. Formulation denotes a focus on the development of the higher education operating budget at the statewide level: essentially on the period between the submission of institutional budget requests to a state agency and the enactment of the appropriation bill.

The initial design for the study was developed during the summer and fall of 1973 with the assistance and advice of a technical advisory and a national advisory panel. Field interviews began in Colorado in January 1974, and were completed in Florida in late October 1974.[1]

Both the content and format of this report are in part determined by the resolution of two major difficulties that arose during the data collection phase of the study.

First, during the design phase in 1973, difficulty was encountered in reconciling the broad, factual data needs for description with the narrower, but usually deeper, needs for theoretical analysis. The decision was made to describe the entire budget formulation process at a relatively general level of detail, as reflected in this report. Collection of data at greater levels of detail is limited to discrete areas such as budget formulas, and statewide information availability and use, each of which will be the topic of separately issued papers.

Second, by midsummer 1974, after visits to about half of the states, we were painfully aware of the great diversity of budgetary practices and procedures. Although we undertook the study aware of wide differences in state budgetary processes, "we were not able to foresee . . . how incredibly diverse the practices . . . can be."[2] Procedural or organizational issues of great importance in one state were meaningless in others.

---

[1] Appendix A discusses the selection of the 17 states for field investigation.

[2] This confession, which we share, appears in the seminal study of state legislatures--Citizens Conference on State Legislatures, The Sometime Governments, Kansas City, Mo.: The Citizens Conference on State Legislatures, 1973, p. 7.

With minor revisions in the design of the study, data were collected according to a priori conceptions of appropriate descriptive classifications. For portrayal in this report, however, the classifications were substantially revised and gaps were filled through telephone interviews.

There are four sources for the factual data in this report: (1) formal budgetary documents and less formal memoranda; (2) questionnaires concerning agency organization and function; (3) interviews; and (4) state comments made in telephone conversations and on drafts of this publication. Documents were sought from both the state executive budget officer and the head of the statewide coordinating or governing board, with the request that they coordinate responses to avoid duplication. In all instances, documents were reviewed before the field interviews. Questionnaires on agency organization, functions, and staffing were used in all but the first state visited. In the next seven states, questionnaires were left with the appropriate state agency at the time of the interview. In the final nine states, questionnaires were mailed in advance, and reviewed prior to interviews.

The directors of all these state agencies and their staffs cooperated wholeheartedly with the project. Two to four members of the research staff visited each state for approximately one week, and in all interviewed over 400 statewide administrators and institutional officials. The attempt to interview all state agency staff concerned with budget review was generally successful. The least successful attempt occurred in a state where all legislative staff were on vacation at the time of our visit and were not available for later telephone interviews because of a shift in party control of the legislature in the November 1974 elections.[3]

Limits of the Study

This report deals with budgeting for public four-year colleges and universities. The budgetary process studied in each state was that which led to the development of the FY 1974-75 budget. Two-year campuses are discussed only in three tables in Part II (Tables II-79, 80, 81) and briefly in each of the state descriptions in Part III. The scope of this study had to be restricted to manageable proportions and the wide variety of two-year colleges and of funding methods for them is well described by Wattenbarger, Starnes, and Cage.[4]

---

[3] In each state, interviews that were also conducted with selected campus administrators offered additional insight into the state's budgetary process. These interviews supplemented a nationwide questionnaire survey of institutional presidents, Presidents Confront Reality: From Edifice Complex to University Without Walls, conducted by the Berkeley Center for Research and Development in Higher Education for the Carnegie Council on Policy Studies in Higher Education.

[4] James L. Wattenbarger and Paul M. Starnes, State Funding Formulae for Public Two-Year Colleges, Gainsville, Florida: Institute for Higher Education, University of Florida, 1973; and James L. Wattenbarger and Bob N. Cage, More Money for More Opportunity. San Francisco: Jossey-Bass Publishers, 1974.

The variety among the two-year institutions in the 17 states of the present study ranges form California where the only institutional type is the comprehensive community college to Connecticut where the term "two-year college" designates not only a community college system but also a distinct system of vocational-technical schools, as well as two-year branches of the University of Connecticut. State funding (Table II-80) and governance (Table II-79) are equally varied. In general, the budget requests of two-year campuses are unlikely to be reviewed in the same fashion as those of four-year campuses where either a governing board is responsible for one or more two-year campuses or where they are supported by local as well as state funds. Of some 468 two-year campuses in the 17 states, 138 in 10 states have their budgets reviewed in a similar manner as four-year colleges (Table II-81). Unless the context clearly indicates otherwise, this preliminary report is concerned only with budget formulation for four-year colleges and universities and those two-year campuses whose budgets are reviewed in a similar manner.

Our deliberate focus on the continuing administrative processes by which higher education operating budgets are developed has not allowed investigation of other items of substantial importance. Among the more important of these are the role of 1202 commissions, state administration of enacted budgets, student financial aid, state support of independent colleges and universities, capital outlay procedures, budgeting for non-traditional and extension programs, teaching hospitals, and agricultural research. The 1202 commissions were not examined because they have no budgetary authority except where they are part of an existing agency.

Part I

Overview of State Higher Education Budget Process

Organization

Structural Classification of Agency Staffs

The ultimate objective of our overall study is analysis of state budget processes. In each state, budgetary practices, procedures, and structures form the unit of analysis: the state's budget process as a whole. A major assumption, nevertheless, is that these processes operate through the interaction of three types of organizational or administrative structures present in most states: executive budget staff, legislative budget staff, and the budget staff of a state-level higher education agency.[5] Specific dimensions of these three agency structures are used to display and explain the descriptive data in this preliminary report.

To simplify description across 17 states, several dimensions of the three major agency structures are collapsed in the discussion that follows.[6] In general, the data relate to 51 agency staffs in the 17 states: 16 executive budget offices, 29 legislative fiscal staffs, and 16 staffs of state higher education agencies. A brief discussion of each of these is required.

---

[5] Knowledge of the activities of these three staffs is essential for an understanding of state budget processes for higher education. In some states other staffs, such as those responsible for state personnel and audit functions, become involved in the budget process in various ways and were interviewed in most instances. However, this report does not systematically include information on these staffs. Perspectives on state budgeting were gained from interviewing campus presidents, chief campus academic officers, and chief campus fiscal officers from two public institutions in all but one of the 17 states.

Executive Budget Staff

Every state but one, Mississippi, has an executive budget office. The staff that serves the Joint Executive-Legislative Commission on Budgeting and Accounting in Mississippi has at least one characteristic of an executive budget office: responsibility for allotment and control of funds. However, this commission is clearly responsible to the legislature during budget development rather than to the governor, who lacks a budget staff of his own.

Legislative Fiscal Staff

Staffs of the legislative committees are less easily categorized than are those in executive budget offices. A state legislature may or may not employ staff for a joint fiscal committee. Staff may be assigned to individual committees from a central pool. Whether there is joint staff or not the fiscal committees in either or both houses may or may not employ staff. Committee staff may be further divided to support the minority and majority party members. As a further complication, neither the staff of the unicameral legislature in Nebraska nor that of the executive-legislative commission in Mississippi really belongs to any of these classifications. For this descriptive report, categorization is simplified.

---

[6] Many of these dimensions are, however, found in the tabular presentation of research results in Part II, and in the individual state descriptions in Part III.

Joint Legislative Fiscal Committee Staff. Six joint legislative fiscal committees are served by staff, and none of these is divided along party lines. In addition, the commission staff in Mississippi, the legislative staff in Nebraska, and the single staff in Kansas are treated here as joint staff (Table II-2,65).

Separate House Fiscal Committee Staff. In nine states both houses of the legislature have staff support, and in one other, Tennessee, only the upper house is so served. In three of these states, Illinois, Pennsylvania, and Washington, each of the separate house staffs is divided along party lines. In general, however, this report disregards this party division (Table II-2).

The organizational "units of analysis" for description, therefore, are:

Joint legislative staff including staff in Mississippi, Nebraska, and Kansas		9
Separate legislative staffs		
Upper house staffs, disregarding majority and minority divisions	10	
Lower house staffs, disregarding majority and minority divisions	9	
Total separate staffs		19
Total legislative fiscal staffs		28

Among the 17 state legislatures, seven were supported only by joint staff, eight only by separate house staffs, and two by both joint staff and separate house staff (Table II-2).

An important distinction between the federal budgetary process and those of the states should be noted here. At the federal level, budgeting is in two stages: authorization for federal support through enactment of substantive legislation followed by an appropriation for actual support. At the state level, authorization for funding and appropriation is often simultaneous.

State Higher Education Agency Staff

Categorization of state higher education agency staff is less complex than that of legislative staff because the agencies themselves have been subject to classification in the past.[7] A set of possible classifications is shown in Table I-1.

Table I-1

State Higher Education Agencies

Voluntary	Consol'd Governing Board	Other than Consolidated Governing Board				Total
		Separate Coordinating Agency		State Dept of Education		
		With Statutory Budget Respons.	Without Statutory Budget Respons.	With Statutory Budget Respons.	Without Statutory Budget Respons.	
1	5	5	3	2	1	17

Note: Figures for State Department do not include Florida.
Source: Table II-13

---

[7] Both previous classifications and the difficulty of classification are discussed by Robert O. Berdahl, *Statewide Coordination of Higher Education*, Washington, D.C.: American Council on Education, 1971, particularly in pages 23-26.

These six possible dimensions can be reduced to three to simplify display of data about their staffs. The voluntary structure in Nebraska lacks state level staff. Whether or not state higher education agencies, which do have staff, have statutory budgetary responsibilities is a major factor in the overall process. However, the precise nature of such responsibility and the manner in which it is exercised varies greatly. Categorization based only on statutory budgetary responsibility thus can be misleading. With this reservation in mind, the three classifications are:

Consolidated governing board staff	5
Separate coordinating agency staff	8
State department of education staff	3
Total state higher education agency staffs in study	16

As useful as the above classification is for data presentation, it does not do justice to the rich diversity of organizations interested in the budgetary process. Florida, for example, is classified as a state with a consolidated governing board. Yet that board is in fact an agency of the state department of education, through which its budget is submitted for technical review. In Michigan, Kansas, and Washington, administrative councils of institutional chief executive officers have substantial budgetary influence.

Audit Staff

Of the 17 states, 14 have separate executive or legislative staffs that perform policy-oriented performance or evaluation audits, as distinct from routine fiscal audits. These performance audits consist of specialized assessments of specific topics rather than overall institutional evaluations. Such separate staffs may be under the jurisdiction of the governor, another elected official, or the legislature. California, Pennsylvania, and Wisconsin have both executive and legislative audit staffs. In most instances, these separate audit staffs have made performance studies of higher education institutions.

Performance audits have proliferated during the past five years and existing staffs are becoming larger. The role these staffs play in budgeting for higher education will probably grow increasingly important.

Table I-2

Performance Audit Staff Location
and Studies of Higher Education

	Location of Separate Audit Staff			
	Reports to Governor	Reports to Legislature	Reports to Independent Agency	Total
Audit Staff has made Studies of Higher Education (11 staffs in 9 states)	2	9	-	11
Audit Staff has not made Studies of Higher Education (6 staffs in 6 states)	2	3	1	6
Total (17 staffs in 14 states)	4	12	1	17

Source: Table II-9

Because performance auditing is mainly related more to the evaluation of budget administration than to the formulation of budgets, separate audit staffs are not used as a structural or organizational category for data display in this preliminary report.

Summary

Although state budgetary processes are the ultimate subjects of analysis, this preliminary report generally displays descriptive data according to the structural criteria of these 60 administrative staffs in the 17 states:

- 16 Executive budget office staffs
- 28 Legislative fiscal staffs, comprising
  - 9 Joint legislative committee staffs
  - 10 Upper house committee staffs
  - 9 Lower house
- 16 Statewide higher education agency staffs, comprising
  - 5 Consolidated governing boards
  - 8 Separate coordinating agencies for
  - 3 State departments of education

Staff Organization

The organization of the state administrative agencies that review higher education operating budgets is inseparable from the broader context of state government. The traditional, usually implicit, political and governmental roles of the governor and legislature are major factors in executive and legislative staff organization. On the other hand, the staffs of the state higher education agencies, which have lacked the long tradition of political roles, are far more likely than executive or legislative staffs to have their responsibilities explicitly mandated by statute

Executive and Legislative Staff

Organizational structures reflect the differing political roles of the governor and legislature in several ways. Because executive budget staff formulate the entire governor's budget during each budget cycle, they must, if only to check their numbers, review higher education budgets on a regular and routine basis. Legislative review, on the other hand, is often less structured and more selective. However, in states such as California, Colorado, Michigan, and Texas the legislative fiscal staffs engage in comprehensive reviews of budgets.

Staff Size and Effort. Organizationally, executive budget staffs are larger, both in their entirety and in the number of analysts specifically assigned to higher education, than are the others. Among legislative staffs, as would be expected, a joint staff utilizes more analysts than separate house staffs. Even if a state higher education agency has budgetary responsibilities, staff assignments for them can rarely be fixed with certainty. The assignment of only one or two analysts for budget review in Illinois, for example, does not reflect the redirection of program analysts or capital budget analysts to the operating budget task at "budget time." Among the three types of staffs, the growth in numbers and influence of legislative fiscal staffs in almost all of the 17 states is distinctive. In Kansas and Virginia such staffs have been recently created, and in these states and elsewhere legislative staff growth seems certain to be an important influence on state budgetary procedures for higher education in the future.

Table I-3

Numbers of Full Time Professional Staff Assigned to Higher Education Operating Budget Review by Types of Staffs

	None or a Fractional Position	One Position	Two or Three Positions	Four or More Positions
Executive Budget Office (16 states)	-	2	5	9
Legislative Staff				
Joint Staff (9 states)	1	2	3	3
Separate Staff (10 states)	4	7	7	-
State Higher Education Agency (16 states)	2	3	5	6

Note: State Higher Education agency figures do not include Florida's other agency, the State Department of Education.
Source: Tables II-1, 3, 4, 5, 6, 7, 8

Less difference is found in contrasting staff perceptions of how time is spent in budget review: although executive budget staffs perceive a great amount of routine and technical budget work (e.g., recalculating formula factors), so do legislative and higher education agency staffs.

Table I-4

Staff Perceptions of Budget Review Effort as Either Routine/Technical or Policy

	Number of Agencies Perceiving			
	More Than 50% of Time Spent in Routine/ Technical Review	More Than 50% of Time Spent in Policy Review	Equal Time Spent on Both	No Response
Executive Budget Office (16 states)	9	4	2	1
Legislative Staff				
Joint Staff (9 states)	2	2	1	4
Separate Staff (10 states)	4	3	3	8
State Higher Education Agency (16 states)	7	5	1	3

Note: State Higher Education Agency figures do not include Florida's other agency, the State Department of Education.
Source: Tables II-1, 3, 4, 5, 6, 7, 8

Four legislative staffs, in New York, Florida, Hawaii, and Wisconsin, and two executive budget office staffs, in Colorado and Nebraska, perceived their time as equally divided between policy and routine review.

Organizational Distance. The state budget office may be located either in the governor's office or in a separate department or agency.[8] Regardless of such location, however, an analyst in the executive budget office is inevitably farther removed organizationally from the governor, the elected official to whom he is responsible, than is a legislative analyst from the legislators (Tables II-10, 11).

---

[8] Council of State Governments, *Budgeting by the States*, Lexington, Ky.: Council of State Governments, 1967, pp. 14-16.

Director's Compensation. Compensation of the heads of state executive budget staff generally exceeds that of legislative staff heads within a state. Across states, however, it is clear that the larger the state, the higher the pay of the 37 heads of legislative and executive agencies for which this information is available.

Table I-5

Compensation of Heads of Executive and Legislative Staffs by Quintiles of Population

Population Quintiles	$40,000 and Over	$30,000 to $39,999	$20,000 to $29,999	Below $20,000	Total Number of Individuals
Top Quintile (7 states)	5	6	6	-	17
2nd Quintile (3 states)	-	3	2	-	5
3rd Quintile (5 states)	-	4	6	-	10
4th Quintile (2 states)	-	1	3	1	5
5th Quintile (0 states)	-	-	-	-	-

Source: Table II-14

The salaries of higher education agency staff directors are higher than those of executive and legislative staff directors except in New York (Table II-14).

Their salaries are competitive with their counterpart on college and university campuses rather than in the state capitol.[9]

State Higher Education Agency Staff Functions

The staffs of the state higher education agencies are very different from those of the governors and legislatures. Although it is possible to generalize from the governmental roles of the latter to the budgetary roles of their supporting staffs, such generalization about state higher education agency staffs is precluded by the wide variations in structure and responsibilities of the agencies themselves. The budgetary responsibilities of a consolidated governing board may be implicit in its governing authority, but those of a separate coordinating agency or state board of education usually result from statutory mandate. Higher education master planning, determination of campus role, scope, or mission, and review of academic programs are common statutory functions of state higher education agencies (Table II-12). Such agencies may or may not, however, have statutory responsibility for functions closely related to resource allocation. Although statutory provisions are usually a reasonable guide to the budgetary role of a state higher education agency, this is not always the case. Historically in California the coordinating agency has deliberately chosen not to exercise the advisory, budgetary authority given it by statute. On the other hand, the coordinating agencies in Texas and Washington are seen as having a substantial budgetary role despite their limited statutory powers.

---

[9] Comparison of salaries of heads of state higher education agencies with those of campus heads appears in a mimeographed survey, "Staffing and Salary Information," Denver: Education Commission of the States, July 1973.

Table I-6

Statutory Responsibility for Information, Tuition, and Budgetary Formulas by Types of State Higher Education Agencies

Type of State Higher Education Agency	Statutory Responsibility		
	Higher Education Information Collection	Review and/or Approval of	
		Tuition Levels	Budgetary Formulas
Consolidated Governing Boards (5 boards)	4	5	3
Separate Coordinating Agencies (8 agencies)	8	4	5
State Boards of Education (3 boards)	1	1	-
Total (16 agencies)	13	10	8

Source: Table II-12

Staff Personnel Matters

The differing personnel policies of state executive, legislative, and higher education agencies influence, we must assume, the differing budgetary processes across the states. The formal aspects of civil service and recruiting policy discussed here are fairly easily classified, yet less easily classified factors may be of equal or greater importance. Both the formal policy and conventional wisdom tend to stereotype agency personnel: the executive budget analyst as a career professional in his particular state; the legislative analyst as an aspiring politician;

the higher education analyst as a career professional also, but in a national arena. The grain of truth in the stereotypes should not obscure the fact that in some states an individual may hold two, or perhaps all three, of these positions over a relatively short period of time. Personnel are people, and they live as well as work in Albany, Sacramento, and Austin, and move among the agencies as opportunity presents itself.

Civil Service

The applicability of civil service or similar statewide regulations to executive and legislative staff is fairly consistent across states. As might be expected, executive staff are generally subject to such regulations and legislative staff are not (Table II-15). Executive budget staffs in Illinois and Tennessee are the only such staffs not covered by civil service. The executive-legislative commission staff in Mississippi are considered legislative staff in this report, and are the only such staff covered by civil service, although the legislative fiscal bureau in Wisconsin adheres to the state civil service regulations. Greater variation, however, exists in the applicability of these regulations to the state higher education agencies. Berdahl has suggested that qualified persons may be discouraged from serving on coordinating agencies by state salary schedules and other civil service restrictions.[10]

---

[10] Robert O. Berdahl, Statewide Coordination of Higher Education, Washington, D.C.: American Council on Education, 1971, p.72.

Table I-7

Applicability of Civil Service
to State Higher Education Agency Staff

	Civil Service	
	Applicable	Not Applicable
Consolidated Governing Boards (5 boards)	1	4
Separate Coordinating Agencies (8 agencies)	3	5
State Departments of Education (3 boards)	3	-
Total (16 agencies)	7	9

Source: Table II-15

Academic Background and Recruiting Policy

Schick has suggested that the type of budgetary review that a state agency performs may be revealed by the academic background of the staff.[11] While it is possible that such a relationship will emerge, the descriptive data alone offer little direction for further analysis. Executive and legislative budget agencies are generally less interested in recruiting specialists than in hiring a "good man" regardless of academic background. Public or business administration, political science, and economics are preferred backgrounds for both agencies. More of legislatures seek an accounting background for staff than do the executive agencies, but neither shows any great interest in a disciplinary background in educational administration (Tables II-16, 17). Although state higher education agencies are, of course, more likely to look for background in educational administration for their staff in general, they appear to be as likely as other agencies to prefer a business administration background for budget staff (Tables II-18, 19, 20).

---

[11] Allen Schick, Budget Innovation in the States, Washington, D.C.: Brookings Institution, 1971.

General policies or tendencies with respect to other aspects of recruiting allow limited generalization: executive budget offices, followed by legislative committees, are more likely than other agencies to recruit professional staff directly from college. With only two exceptions, state higher education agencies appear to expect their staff to have experience before they are recruited (Table II-21). Similarly, although both executive and legislative agencies look to their own state as the recruiting pool, state higher education agencies in most states appear willing to go outside the state for higher education budget staff (Table II-22). More so than other agencies, legislative fiscal staffs look to other state agencies for staff, however, this is characteristic of only six of the 17 state agencies (Table II-23). Campuses within the state are not often considered a source of staff for executive and legislative agencies, and only slightly more than half of the state higher education agencies see campuses as a source (Table II-24). Few executive and legislative agencies and only one state higher education agency look to business or industry as a source of staff (Table II-25).

Process and Procedure

Overview

Description of state budgetary organizations is difficult because of their numbers and variety. Description of the budgetary processes across states not only encompasses structurally based difficulties, but compounds them: the activity of each agency interacts and relates to that of another. Moreover, as Lee and Johnson note, and as our study confirms: "Though the same institutional units may exist over time, both procedures and substantive content vary from year to year."[12] They ascribe the protean nature of the formulation procedures to the many efforts at budgetary reform. Evidence of procedural instability because of such reform is found in five states: Hawaii, Michigan, New York, Pennsylvania, and Wisconsin. Curiously, higher education budgets appear to be the earliest targets of reformers. But for higher education budgeting, at least, procedural changes from year to year may be equally attributable to less formal causes: when, as in Colorado or Connecticut for example, legislative staff analysis is largely the province of one person, the professional interests of the individual holding the position will influence the process as a whole. In addition, political and policy differences between the governor and the legislature, as in New York, or within the legislature itself, as in Illinois, may have substantial impact on the budgetary process even though that impact is merely a byproduct of other concerns. The influence of these three compounding factors--deliberate budgetary reforms, the interaction of the several agencies, and professional or political concerns--is best understood descriptively in the context of the individual states. (See state descriptions in Part III.) Moreover, the increasing impact of revenue constraints in every state requires staff adaptation.

---

[12] Robert D. Lee, Jr. and Ronald W. Johnson, Public Budgeting Systems, Baltimore, Md.: University Park Press, 1973, p. 82.

Subject to these important limitations, the description of the major phases of budgetary processes is less difficult than that of the organizations that participate in them. The processes and procedures of all 17 states can generally be classified chronologically.

(1)	(2)	(3)
Institutional Budget Preparation and Submission	Agency Review and Analysis	Legislative Review and Appropriation
→	→	→

While this simplified diagram is generally applicable, there are hints in two of the 17 states that the three-step pattern is not necessarily the only one possible. In Texas, the process (schematically exaggerated for the purposes of discussion) looks like this:

(1)	(2)	(3)
Agency Review and Analysis	Institutional Budget Preparation and Submission	Legislative Review and Appropriation
⟶	⟶	⟶

The biennial budget cycle in Texas begins with extensive, analytic, and broadly participatory development of the comprehensive budgetary formulas that will be the basis for over 80% of the funds requested by all public campuses. Review and analysis does take place, of course, after submission of institutional budget requests, but rarely outside the general parameters of the previously determined formula. A necessary condition of this variation to the usual chronology appears to be the long standing agreement on, and use of, comprehensive and detailed formulas in Texas. A possible benefit of this variation is the initial isolation of important, internal allocation issues from the inevitable impact of "available revenue" constraints that arise in the later phases of the budget cycle.

In Mississippi, there is the hint of a second variation which looks like this:

(1)
Institutional
Budget Preparation
and Submission
→

(2)
Legislative Review
and Appropriation
→

(3)
Agency Review
and Analysis
→

Campus requests to the consolidated governing board in Mississippi and the board's subsequent request to the state are based on comprehensive formulas. The appropriation, always less than the request, is made several months before the beginning of the budget year. The lump-sum appropriation to the consolidated board is then allocated among the campuses. These lump-sum allocations follow the original formula-generated requests, but expenditure plans in terms of functional categories are based on subsequent analysis. These more detailed allocations are then approved before the beginning of the budget year by the Commission on Budgeting and Accounting, a joint executive legislative commission responsible for both budget formulation and execution. Here again, a condition of this variation is a comprehensive formula. A second condition is the early appropriation, and a third is the lump-sum format. A possible benefit of this variation is the close linkage in time between possible analytic effort and actual operations.

The differences between Texas and Mississippi, on one hand, and the pattern in the balance of the states on the other, is by no means as great as the simplified diagrams imply. Overall, the procedures in these two states fit within the general chronological framework, which for purposes of discussion is expanded here into six topics:

Institutional Budget Preparation and Submission	(1)	Instructions, Target Figures, Staff Visits, Hearings
	(2)	Institutional Budget Submission
Agency Review and Analysis	(3)	Time and Information, Review Techniques, Master Plan
	(4)	Agency Hearings and Recommendations
	(5)	Governor's Budget
Legislative Review and Appropriations	(6)	Legislative Hearings, Budget Bill, Governor's Veto

Presubmission Activity

Agency Roles

Across the 17 states, the extent of activity by state executive, legislative, and higher education agencies varies greatly. But each type of state agency has a role that, regardless of staff size, allows generalization about the nature of each agency's activity:

- Executive budget staff, because they must look at the total state budget, are more interested in the impact of state revenue and general changes in costs than either of the other two agencies. More than legislative staff, but less than higher education agency staff, they are interested in collection of comparable, broadly aggregated data. Moreover, they appear more sensitive than legislative staff to the complexities of higher education data. They are likely to visit campuses to familiarize themselves with the details of general issues. Either on a formal basis or informally, the governor's fiscal and educational policies are often conveyed through executive budget staff. They are less likely than are staff of the other two agencies to be concerned with either specific academic programs or specific campuses.

- Legislative fiscal staff can selectively deal with issues and are less likely to engage in routine or structured activity than are the staffs of the other two agencies. But, joint committee staff are more likely to structure their activity than are separate committee staff. Legislative staff may visit campuses as often as do executive budget office staff, but their visits are less regular, and they are more interested in specific campus issues and priorities than in overall budgetary issues.

- State higher education agency staff interest, as would be expected and regardless of the budgetary responsibilities of the agency, is directed more toward educational issues and academic programs than that of the other agencies. Consolidated governing boards, of course, formulate their budgets. Separate coordinating agency staffs and state departments of education try to maintain close contact with the campuses, but, because of day-to-day governance, the contact of consolidated governing board staffs is usually closer.

There are major exceptions to these generalizations: in Texas, the development of comprehensive formulas, a major presubmission activity (already discussed), takes place under the auspices of the coordinating agency. In California, the joint legislative fiscal staff undertakes special studies of particular issues which are expected to arise in budget requests with greater regularity than many of the state executive budget offices. In Michigan, the staff for the fiscal committees are more active in the presubmission phase than most joint legislative staffs, to the extent that they issue a request for a budget submission that is separate and different from the one issued by the executive budget office.

Despite such exceptions, the generalizations appear to describe correctly agency activities in the presubmission phase of budget formulation and may go part way towards broader generalizations applicable to all phases of budget formulation.

Budget Instructions

Budget formulation begins with the issuance of instructions, generally at least about 12 months prior to the time for submission of budget requests (Tables II-82, 83, 84). Instructions, as in Illinois, may be directed toward the accumulation of substantive planning information and extended fiscal and program projections, or, as in the case of Nebraska, they may require budgets for a two-year period. More commonly, however, except in states with a biennial budget cycle, instructions require only fiscal information about the budget year and the two years immediately preceding it.

Where a single agency issues instructions, it is usually the executive budget office. Only in Illinois do instructions appear to be issued solely by the state higher education agency. A single set of state higher education agency instructions is issued in Colorado, but these require the approval of executive and legislative staff. Joint instructions are found in Kansas, Pennsylvania, and Florida. In two other states, information is sought by legislative staff through forms which supplement or replace executive or higher education agency budget instructions. In Illinois, these simply detail line-item appropriation bills submitted by multicampus systems. In Michigan, however, they represent a concept of budget formulation differing from that of the executive budget office (Table II-26).

Target Figures

Far more often than not, institutions prepare and submit budget requests without formal advice about the expected level of state funding. Absence of target figures is probably attributable to the unwillingness of state agencies to commit themselves in advance, even tentatively, to a level of expenditures which might not be supported by revenues, or to a desire to avoid constraining program proposals prior to review. In most states, higher education institutions, like other state agencies, are advised of acceptable price increases for commodities, but only in three states (Colorado, Hawaii, and Illinois) are dollar limits set on the amount of requests that would be accepted. Percentage increase limits were found in three states (Connecticut, Illinois, and Kansas). Such limits were set in Connecticut by the governor, but the state higher education agency nevertheless submitted a budget based on "Connecticut's capacity to support" compared to other states. In Wisconsin, a similar limitation was imposed on the funding of existing academic programs but did not preclude submission of a consolidated governing board proposal for new program funding. In the seven states in which target figures are issued, they apply to all higher education in five states and to individual campuses in two (Table II-27).

Target figures may afford an excellent example of the impact of revenue factors on the early stages of budget formulation. When revenues are expected to be high, executive budget staff keep their options open by requiring higher education to reveal its range of priorities first. On the other hand, when revenue estimates are low, the governor steps in to limit expectations.

Organizational Budget Requests

Definition of Organizational Request

The 17 states in the study budget for 256 separate, public, four-year college and university campuses. Each of these campuses submits a budget request to the state, either directly or through a multicampus organization. The term "organizational request" can refer to the budget requests of either the campuses or the larger organization. Unless the context clearly indicates otherwise, the organizational requests on which we focus are the formal requests that first reach the state executive and legislative agencies for review. The number of budget requests discussed here, therefore, are not the 256 campus requests, but the 147 organizational requests that are subject to statewide review and analysis (Table II-74).

Use of "organizational" in place of the more common "institutional" to describe requests is deliberate. A larger organization that both governs and submits requests for two or more campuses may or may not be an "institution" in the sense of being a single "responsive, adaptive organism."[13] In this description, therefore, we do not raise the analytic question of whether a multicampus system such as the University of Illinois is one "organic university," i.e., a single "institution" one of whose characteristics is or should be that its budget is reviewed as an entirety.

---

[13] "Institutional budget" is, for example, the term used by the National Association of College and University Business Officers (NACUBO). See College and University Business Administration, Administrative Service, Washington, D.C.: NACUBO, 1974, Ch. 4:3. The quotation is from Philip Selznick, Leadership in Organizations, New York: Harper & Row, 1957, p.5, where it is also stated that the distinction between an "organization" and an "institution" is a matter of analysis, not of direct description."

The term "organizational request" is not without ambiguity. In it, we include the requests submitted by the five consolidated governing boards in the study. Other state higher education agencies generally submit recommendations rather than requests.

Format of Organizational Request

Determining whether a formal budget document is in a "program," "performance," "functional," "object-of-expenditure," or other format is always difficult. Formal documents generally include elements of at least two of these modes of budget presentation. These classifications are discussed below in connection with the budget bill.

More so than other formal budget documents, organizational requests change in format from year to year. They also tend to display data in more than one format. A functional structure may be used for internal purposes. A program structure may respond to executive budget office interests or to those of the state higher education agency. Detailed lists of line items may be of interest to the legislature. The major objective of an organizational budget request--persuasion--may be satisfied by adherence to prescribed and detailed object-of-expenditure worksheets or it may be seen to require lengthy narrative justification in terms of planned objectives. In one state, it appeared to require mention of the winning football team.

Submission of Organizational Request

The formal path of organizational budget requests in each state can be traced (see budgetary flow charts for each state in Part III). It makes little difference that requests are sent to agencies "for information" rather than "for action." Even original campus budget requests, whose priorities may be lost when a larger organization consolidates or aggregates them with those of other campuses, are generally available to state executive and legislative staff. Only in Florida and Tennessee are they not routinely submitted to either of these agencies (Table II-36).

Grouping of Campus Requests

To each campus, its own budget request is a critical, perhaps its most critical document. In it, academic aspirations are tempered by the reality of available state support. Despite the importance of these requests to the campuses themselves, the degree of attention they receive in statewide agency review varies: an individual campus request may be formally or informally grouped with those of other campuses at any of the successive phases of the budgetary process. As discussed in this section, grouping may take place in the request of a larger organization (i.e., a multicampus system or consolidated governing board). Later sections of this report consider campus grouping in the recommendations of a state higher education agency, in the governor's budget, and, finally, in the budget bill.

Taxonomy of Campus Groupings. The governing structure for higher education in each state determines campus groupings for the submission of organizational budget requests. There are four possibilities:

Statewide: A consolidated governing board such as that in Wisconsin submits a single statewide budget which includes all campuses. Multicampus: In states such as California and Illinois, all campuses are governed by two or more multicampus boards, and their requests are included in the multicampus requests. Multicampus and individual: In states such as Texas, some campus requests are included in multicampus requests while those of campuses with separate boards are submitted individually. Individual: Only in Virginia and Washington do all campuses have individual boards that submit individual requests.

Identification of Campus Requests. When several campuses are grouped in a larger request, the identity of a campus may be submerged within that of the group. "Aggregation" and "consolidation" characterize the extremes of a continuum that represents the ease of such identification.

An aggregated request is one in which individual campus requests are essentially assembled, totaled, and, with or without significant revisions, presented to the state. Individual campus requests retain their identity.

A consolidated request, on the other hand, is one in which the primary bases of the request are programs or functions across campus boundaries. Individual campus requests rarely appear and, if they do, are subordinated to statewide or systemwide justifications for funding of the group as a whole. Usually the amounts requested by individual campuses cannot be identified.

In each of the five states with a consolidated governing board, the single budget request of that board is the only one classified as consolidated or aggregated. In states with multicampus systems, however, each multicampus request must be classified. Within three states, California, Connecticut, and Pennsylvania, state agencies receive both budget requests from multicampus systems that aggregate campus requests and others that consolidate them.

Table I-8

Characterization of Budget Requests
by Type of Grouping of Campus Requests

	Aggregated	Consolidated	Both
Statewide Requests (5 states)	4	1	-
Multicampus Requests (10 states)	7	-	3
Total	11	1	3

Source: Tables II-28, 29

staff, and most have program review responsibilities that inform budgetary decisions.

Consolidated governing boards are classified here as state higher education agencies along with separate coordinating agencies and state departments of education that do not have governing responsibilities. Consolidated governing boards review campus budget requests both as a state higher education agency and as a higher education organization preparing its own organizational request to the state. Their governing authority is broad, encompasses budgetary authority, and is less likely to be strictly defined by statute than is the authority of other state higher education agencies. In this respect, the governing authority of consolidated governing boards resembles the governmental authority of governors and legislators.

For discussion, agency review and analysis is divided into four areas: time and information, formulas and other techniques, faculty salary determination, and statewide planning. In practice, of course, these areas cannot be separated.

Time and Information Available

Time. The formal bounds of statewide budget formulation are set by the submission of organizational budget requests at the beginning and by the appropriation for the new fiscal year at the end. Variations across the 17 states are substantial, ranging from approximately 28 weeks in New York to approximately 70 in Hawaii and Wisconsin.

Table I-9

Number of Weeks Between Issuance of Budget Instructions Request and Beginning of Budget Year

States, by Type of State Higher Education Agency	49 Weeks or Less	50 to 59 Weeks	60 Weeks or More
Voluntary (1 state)	1	-	-
Consolidated Governing Board (5 states)	1	1	3
Separate Coordinating Agency (8 states)	3	3	2
State Department of Education (3 states)	2	1	-
Total (17 states)	8	4	5

Source: Tables II-82, 83, 84

The amount of time available to each state agency for review of organizational budget requests is only broadly defined by the formal, procedural steps. In general, each successive agency has the benefit of the time available to its predecessor. The result is that a state higher education agency (other than a consolidated governing board) usually has the least time, the legislative staff agencies the most, and the executive budget office something in between (Tables II-30, 31). However, executive budget office review may not end with preparation of the governor's budget. It often continues thereafter to inform negotiations during legislative session. Similarly, legislative review of organizational requests may continue into legislative review of the governor's budget (Table II-32).

In the other 15 states, both types of state agencies use the same levels of aggregation.

Review Techniques

Formulas. Although quantitative guidelines and measures are part of the budgetary process in almost every state, their use is quite diverse. Our classification divides states into formula states and indicator states based on how quantitative measures are used in computing only the instruction and departmental research portion of the budget. For the purpose of simplification, the state of California has not been placed in either of these categories (Table II-38).

- Formulas generate organizational budget requests. To a greater or lesser extent, executive and legislative staff recognize these as either limiting or designating the factors for review. Texas affords the best example of formula use among six formula states.
- Indicators are used to analyze, but not to generate budget requests. Detailed computations may have little or no relationship to the generation of budget requests, but rather they are used as indicators or measures of reasonable support after the requests have been computed. Washington provides a good example of the use of indicators among 10 indicator states.

Formulas for determining the instructional and departmental research portion of the budget request are rarely simple. Factors such as student credit hours, student faculty ratios, and unit costs require precise definition, often by as many as four different levels of students or instruction (e.g., upper division, lower division, etc.). (See Tables II-41,42,43.)

Table I-11

Use of Formula Calculations for Selected Functional Areas in Nine States

Libraries	General Admin. and Expenses	Student Services	Organized Research	Extension and Public Service
7	5	6	2	3

Source: Table II-39

In the six states where the instructional and departmental research portion of the budget is generated by formula, it is likely that state agencies use formulas for other functional areas of the budget. On the other hand, the use of formulas for other functional areas in the 10 "indicator" states is extremely limited. In more than half of the indicator states, they are not used at all. (Table II-39).

Formula calculations for instruction and departmental research and other functional areas may generate from less than 20% of the total higher education operating budget request, as in Wisconsin where formulas are used for incremental increases in the instructional area and for physical plant, libraries, and student services, to more than 90%, as in Mississippi where formulas cover the entire educational and general expense budget (Table II-40).

Cost Comparisons. In 13 of the 17 states at least one state-level staff analyzes instructional costs, either within the state or across states (Table II-44). The development of program costs should in theory provide a better basis for state agencies to determine the comparative performance and budget requirements of programs. In fact, however, such comparisons are difficult to make. Because program outputs are difficult the formality of a report intended for distribution beyond the agency itself.

Table I-12

Selected Strategies for Review of
Higher Education Budget Base by State Agencies

	Special Issue Analyses	Formula Calculation of Base	General Cut	Forced Reallocation	Priority Requirement	Faculty Workload Adjustment
Executive Budget Office (16 states)	11	6	4	1	4	8
Legislative Staff (16 states)	15	5	1	3	3	6
Higher Education Agency (14 states)	12	9	1	1	2	6

Note: Figures for the Higher Education Agency do not include Florida's other agency, the State Department of Education.

Source: Tables II-45, 46, 47, 48, 49

Special Issue Studies. For purposes of description a "special issue study" is an examination of a particular issue in higher education that results in a formal report or document usually intended for distribution beyond the reporting agency. Such reports cover a broad range of issues,[14] and all state higher education agencies with budgetary responsibility undertake them. Special issue studies undertaken by either executive or legislative staff or both, which is generally the case, are evident in all but three states.

---

[14] Appendix B contains a representative list of special issue studies which came to our attention. Annually, the Education Commission of the States in Denver, Colorado, issues a bibliography of such studies made by state higher education agencies in its periodical, Higher Education in the States.

Table I-13

Performance of Special Issue Studies by Executive and Legislative Staffs

Both Executive and Legislative Staff	Executive Staff Only	Legislative Staff Only	Neither Executive nor Legislative Staff	Total
9	1	5	2	17

Source: Table II-50

Although special issue studies appear to have increased as a result of the interest in planning, programming, and budgeting systems (PPBS) during the 1960's, in four states where PPBS systems are currently being tried--Connecticut, Michigan, Pennsylvania, and Washington--it is reported that the procedural work associated with this reform effort reduced the attention given to substantive budget issues. Across the states with a history of interest in PPBS, the major legacy appears to be staffs with a continuing interest in analytic studies even though in many instances the elaborate structure of this particular reform failed to survive.[15]

---

[15] See: State Progress in Planning and Budgeting Systems, Lexington, Ky.: The Council of State Governments, 1969; Allen Schick, Budget Innovation in the States, Washington, D.C.: Brookings Institution, 1971.

Determination of Faculty Salaries

The 17 states can be classified according to their procedures for determining faculty salary support into two categories: (1) four states--Hawaii, Michigan, New York, and Pennsylvania--in which salaries of all or some faculty are negotiated through collective bargaining, and (2) 13 states in which they are not. In the absence of collective bargaining, the nature of the analysis is a matter of emphasis.

Most agency staffs place the incremental increases proposed for faculty beside those proposed for other state employees, including themselves. As would be expected, the incremental increases granted to faculty are based on comparative analyses, cost of living factors, merit increments, or all three. The exception is Mississippi, in which the increment appears to be based only on regional comparative data (Table II-51).

Table I-14

Frequency of Designation or Basis of Faculty Salary Increase Increments in Seventeen States

Cost of Living Increment	National or Regional Competitive Increment	In-state Parity Increment	Merit Increment
12	7	3	12

Source: Table II-51

In the 15 states in which comparative analysis is a criterion for determining faculty salary support, agencies look beyond the borders of their own state to make such comparisons. This is tr[illegible] of nearly all of the state higher education agencies and about half of the executive and legislative budget staffs (Table II-52).

Across the 17 states, however, three related trends appear to be present and deserving of further analysis. Recently, during a period of critical examination of higher education, executive and legislative agencies appear less inclined to distinguish faculty salary procedures from those applicable to other state employees. Second, these agencies appear to be looking with a more critical eye at salary differentials among public campuses. Third, general inflation appears to have increased the importance of cost of living or across the board increases in relation to other types of increments.

Statewide Master Plans

Among the 17 states, only four lack a statewide master plan for higher education, and, of these, only two--Mississippi and Nebraska--do not propose to adopt one. Of the 13 states with master plans, 10 are currently in the process of revision (Table II-53). Four of the current master plans are indefinite in duration, and less than half contain specific provisions for periodic revision (Table II-54). In all states except Mississippi the state higher education agency is charged with preparation of the master plan, although the legislature has played the lead role in California (Table II-54). While there is some similarity in contents among master plans (Table II-55), there is a difference in their underlying conceptual emphases. In 10 of the states, the master plans can be classified as comprehensive structural and/or functional because their emphasis is on the assignment of roles or missions to organizational units. Phased, process plans are found in Connecticut and Illinois that emphasize the planning process itself as an continuing vehicle for program review and determination of institutional roles. Hawaii has a comprehensive budgetary plan that emphasizes the relationship between academic programs and institutions on one hand and costs and fiscal factors on the other. Wisconsin's plan could also fit into this category (Table II-54).

Further analysis may be able to weigh the relative usefulness of the three types of plans for budget review and analysis. However, the initial impression is that all three types were undercut in 1974 by the interaction of uncertain enrollment trends, limited state revenues, and inflation. With the possible exception of the planned implementation of new programs, the morning newspaper sometimes appears to provide more information than last year's master plan, especially on such volatile issues as the establishment of a new medical or veterinary school.

Executive and State Higher Education Agency Hearings

Nature of Hearings

The phase of the budget process that encompasses agency hearings and recommendations is usually the latter stages of staff review and analysis, prior to the printing of formal statewide executive and legislative budgets and budget bills. Legislative hearings focus on a number of formal documents. As discussed in a later section, legislators may look at organizational budget requests as such, at state higher education agency recommendations, at the governor's budget, or at an appropriation bill, or at all of these. When hearings are held by agency staff, on the other hand, the focus is almost always on the organizational budget requests with a view towards recommendations for incorporation in a subsequent formal document. Executive and legislative staff hearings and recommendations are most easily described within the context of a particular state (see state descriptions in Part III).

Executive budget office hearings are held in all but three states: Connecticut and Illinois, which have such offices, and Mississippi, which does not. Of the 14 hearings, only five are public, however, and in several states, such as Nebraska and Washington, the hearings are considered informal negotiating sessions (Table II-61).

Legislative staff and executive budget staff in Texas hold joint staff hearings, but otherwise legislative staff, in contrast to committee, hearings are not formally considered hearings as such.

The widely varying responsibilities of the different types of state higher education agencies preclude easy generalization. The five consolidated governing boards routinely hold budget hearings in the course of approving their organizational budget requests. In two states, Hawaii and Mississippi, these board hearings are private. Three of the five separate coordinating agencies with statutory budgetary authority hold public hearings, but only one of the two state departments of education with such authority do so (Table II-57). Staff, as opposed to board, hearings show an equally mixed pattern (Table II-56).

Whether or not staff and board hold hearings, 10 of the 12 state higher education agencies with statutory budgetary authority make recommendations on operating budgets. In seven of the states, these recommendations are sent to both the governor and legislature, and in the other three to the governor only (Table II-57).

Staff Relationships

Formal diagrams depicting the flow of formal budget documents often give the impression that staff review is undertaken within an airtight compartment from which recommendations emerge for consideration by other agency staffs. (See state flow charts in Part III.) Perhaps in Illinois such impressions may most closely approach reality. In most states, however, substantial interaction among staffs is found at all stages of the budgetary process, the nature and extent of which depends less on formal procedures than on informal factors and the personal and professional relationships among the staffs. Attendance by one staff at the hearings of another is not uncommon (Tables II-56, 61). Presubmission workshops conducted by the executive budget office and the state higher education agency in Colorado provide an example of procedural cooperation. Joint staff hearings by executive and legislative staff after budget submission in Texas are another. To facilitate the budget process, in most states the staff of one agency respects the confidence of "secret" information furnished by another. In some states, staff contacts and negotiation during the budgetary process seem to be the glue that holds state government together, repairing the fragmentation resulting from rivalry between legislative houses, between either or both of them and the governor, or between political or ideological factions in both branches of government. Staff transferring between state agencies was another factor in strengthening the relationships between agencies.

Recommendations of Higher Education Agency

State policy finally results from the interaction of the governor and the legislature. But the development of state policy for higher education is more complex, for it has been shared historically with college and university governing boards. Where , as in five states, there is a consolidated governing board, higher educational policy develops in large part through executive and legislative review of that board's budget request. On the other hand, where there are several institutional or system governing boards (as in each of the other 12 states) the focus of a single organizational request is lacking. To obtain such focus, a state may create a separate coordinating agency, as has occurred in eight states, or it may utilize an existing state department of education, as in three others. Either type of state higher education agency may have substantial impact on educational policy without a strong formal role in the budgetary process, as is the case in New York and Washington. Our particular interest, however, is in the five separate coordinating agencies and two state departments of education that do have a statutory budgetary role.

In theory, by making their recommendations separate, coordinating agencies and state departments of education could regroup the requests of either separately governed campuses or those in multi-campus systems. Regrouping would allow presentation of recommendations in terms of campuses with similar function, size, or geographic location. Consolidation or aggregation would emphasize statewide or regional functions or programs. In practice, however, state higher education agencies generally present recommendations without much restructuring or regrouping (Tables II-58,59,60). Acting as a conduit for organizational requests may be appropriate where the governing structure, as in Illinois, has distinguished four different kinds of four-year multicampus systems. Although data are comparable within each of the systems in Illinois, some doubts are expressed as to whether the campuses are still as comparable as the carefully drawn master plan indicates. In other states, comparison may be difficult because data in the budget requests are not comparable.

Governor's Budget

In some states such as California and New York, the governor's budget is the major fiscal and policy document that the legislature considers in its hearings. In others, such as Colorado, the legislature focuses on organizational budget requests, even to the extent of hearing these before the governor's budget is submitted. Whether it is at one of these extremes or somewhere between, the governor's budget is still a major statement of executive policy.

Grouping of Campuses

Among the five states with consolidated governing boards, only in Mississippi and Wisconsin does the governor's budget present campus requests in a different manner than that of the board's request. The change in each instance is from aggregation to consolidation (Tables II-28,64). Among the 10 states with multicampus systems, the grouping and consolidation or aggregation of campuses in the governor's budget differs from that in system requests only in Connecticut and Pennsylvania. As is the case with consolidated governing board requests, the change is from aggregation to consolidation (Tables II-29,63). Individual campuses are aggregated in the governor's budget on a statewide basis in Virginia, Washington, and the four states that have individual campuses in addition to multicampus systems. However, Colorado, is an exception because aggregation is by functional clusters (Table II-62).

Format of Governor's Budget

Two aspects of the format of the governors' budgets are of interest: (1) the extensiveness of their narrative and quantitative justifications and (2) their technical characterization as, for example, object-of-expenditure, functional, or program budgets.

Justifications. At one extreme, a governor's budget may, as in New York and California, present extensive narrative and quantitative justifications. In Wisconsin, where the governor's budget is of this type, the justifications are unlike any found in the other 17 states because the justifications include the reasons for executive action on items in the consolidated governing board's request. Where there is a history of program budget reform, justifications may appear in separate documents. At the other extreme, a governor's budget may contain little or no justification, presenting only the requested appropriation as is the case in Hawaii, Illinois, and Virginia. In Illinois, the governor either accepts or takes specific exception to the recommendations of the state higher education agency. The recommendations of the state higher education agency, however, do contain extensive justification. Manifestly, governors' budgets offering extensive justification imply greater analytic effort by executive staff than those that do not. One logical consequence might be that the legislature also would require staff analysis to respond to the governor's justifications.

Technical Classifications. Theoretical categorization of the format of a governor's budget as a "program budget," a "functional budget," or an "object-of-expenditure" budget can seldom be realized. Virtually all governors' budgets reflect aspects of each of these categories, and the differences among them is one of emphasis and degree, rather than kind.

Without further analysis, it is not clear if either the technical classification or the emphasis in the format of governors' budgets influences the process itself. A program format would seem to imply explicit weighing of alternatives and interest in outcomes. But the work "program" is sometimes attached to budgets which are functional, object-of-expenditure, or both. By the same token, emphasis on objects of expenditure may imply that executive budget staff have little interest in outcomes or management efficiency, which may not be the case.

Legislative Review and Appropriation

Character of Legislative Review

In most states, executive budget offices and higher education agencies are relatively stable organizations. Such formal products as the governor's budget and board recommendations are interim and subject to scrutiny by both the public and the legislature. In contrast, legislative staff organization is more fluid. The results of legislative staff review and analysis are less likely to be in written form and are rarely available publicly. The product of legislative staff as well as that of the legislature is likely to be the budget bill itself, a final document. Executive and state higher education agency staff recommendations are, of course, considered in a political arena where elected and appointed officials weigh conflicting interests. But legislative staffs are often an integral part of partisan political decisions, particularly where a fiscal committee has both majority and minority party staff. Legislatures, accountable only to the electorate, need not and rarely do give reasons for particular appropriations in any formal and specific manner.

These distinguishing features of a legislative staff make description of its role in the formulation of the budget bill extremely difficult. Its role is also more variable and less structured than that of executive and state higher education staffs.

Staffing of Legislative Committees

Six joint legislative fiscal committees employ full-time staff as do both the executive-legislative commission in Mississippi, the fiscal committee of the unicameral legislature in Nebraska, and the separate committees served by a single staff in Kansas (Table II-2). None of these nine staffs is divided along party lines.

In eight states, full-time staff are employed separately in both houses of the legislature. In addition, in Virginia, full-time staff are found in the lower house and part-time staff in the upper house. In Tennessee only the upper house is served by full-time staff. In three states, Illinois, Pennsylvania, and Washington, the full-time staffs of each of the houses are divided along party lines (Table II-2).

Joint legislative staff generally serve as staff to the separate house committees, although in some instances the latter may also employ separate staff. In California, the legislative joint committee staff is supplemented by separate committee staff in both the upper and lower houses. In Tennessee, only the upper house has staff in addition to the joint staff (Table II-2).

Legislative staff analyses of higher education operating budget requests are issued publicly in five of the 17 states. Four of these states, California, Nebraska, Texas, and Wisconsin, have joint or, in the case of Nebraska, single staffs serving both houses. One state, Virginia, does not (Table II-71).

Legislative Appropriation Committee Hearings

Not all legislative committees hold hearings. In California, both the upper and lower houses hold separate hearings, but the joint legislative fiscal committee does not. In the other states with a joint committee, that committee holds hearings, and the upper and lower house committees do not. Texas is an exception in that all three committees hold hearings (Tables II-65, 67, 69).

Although Kansas, New York, and Virginia do not have a joint legislative committee with responsibility for reviewing higher education budgets, the separate upper and lower house committees do hold joint hearings.

Where hearings are held, they afford legislators the opportunity to raise issues of specific concern to them and to their interested constituents, who in many instances include faculty and students. Two approaches to the hearings appear. Committees may sit more or less as courts of appeal to review decisions presented in formal budget documents or they may actively participate in budget formulation. The difficulty of distinguishing committee activity from that of an individual committee member, among other factors, removes from simple description this way of classifying committee activity. Classifications may, however, be based on the duration of hearings. Our initial impression is that the longer the duration of a legislative hearing the more likely it is that the committee sees its role as the active one of budget formulation rather than the more passive one as a court of appeal. There is substantial variation in the duration of hearings.

Legislative committee hearings can be extensive. In California and Colorado, legislative probing may extend over a period of weeks. In other states, such as Texas, hearings are said to rarely take more than a few hours.

Legislative committees are presented with a wide variety of formal documents upon which their hearings might focus. In addition

Table I-15

Duration of Legislative
Committee Hearings by Type of Committee

	Time Spent on Hearings		
	Less Than One Day	One or Two Days	Three Days or More
Joint Legislative Fiscal Committees (7 states)	1	3	3
Upper House Fiscal Committees (11 states)	2	2	7
Lower House Fiscal Committees (11 states)	2	3	6

Source: Tables II-65, 67, 69

to the organizational budget requests, there is usually a governor's budget and sometimes the recommendations of a state higher education agency. If the organizational request is one of a consolidated governing board or a multicampus system, the campus requests included within it may be the topic of hearings. It is rarely possible to isolate a single focus for legislative committee hearings (Tables II-65, 67, 69). The governor's budget is a major focus, of course, but there are exceptions. In Colorado, the legislative joint fiscal committee hears organizational budget requests before the governor's budget is issued. In California, the bulky and detailed governor's budget appears to take second place to the analysis of the joint legislative staff, which presents budgetary issues and recommendations in a more compact and readable from.

Differing patterns of attendance at legislative heaings appear to have little relationship to the focus of such hearings (Tables II-66, 68, 70). However, further analysis may distinguish between simple attendance and active participation to arrive at such a relationship.

Budget Bill

Number of Bills. Two formal aspects of budget legislation may have an impact on the development of higher education operating budgets. First, a state may enact several bills that sequentially fund the same agencies. The most common example of this is a deficiency bill. New York distinguishes between deficiency bills and a supplemental budget bill. Although relatively small, the supplemental bill is designed to correct errors, fund new porgrams, and in some cases restore items deleted from the governor's budget. There are other budget bills in addition to the supplemental bill, including a deficiency bill and various special bills.[16]

The second aspect of the number of bills is in the grouping of campus for inclusion in budget bills. Higher education may be included in an omnibus bill that funds all state services. There may be a separate bill for all of higher education, or separate bills for separately governed campuses and multicampus systems.

---

[16] State University of New York, Campus-Central Staff Relationships, Albany, N.Y.: State University of New York, 1973, p. 15.

Table I-16

Number of Budget Bills by
Type of State Higher Education Agency

State Higher Education Agency	Single Bill for State Services	Separate Bill for Higher Education	Separate Bills for Campuses and Multicampus Systems
Voluntary (1 state)	-	1	-
Consolidated Governing Board (5 states)	4	1	-
Separate Coordinating Agency (8 states)	7	-	1
State Board of Education (3 states)	2	1	1
Total (17 states)	13	3	2

Notes: Pennsylvania has both a single bill for state services and separate bills for campuses and multicampus systems.
A single bill for all state services funded four-year institutions in Nebraska until 1974 when they were funded in a separate bill.
Source: Table II-72

Whether the higher education appropriation is in a single budget bill or in several should be distinguished from the question of how appropriations to campuses are treated within a budget bill. This distinction is clear in Illinois, where four separate budget bills appropriated funds to the four senior multicampus systems. In two bills appropriations to separate campuses are aggregated and the several campuses clearly identified. In the other two, however, appropriations to campuses are consolidated and the identity of separate campuses is lost.

Even though a single budget bill is enacted, more than one bill may be under consideration by the legislature. In California, for example, identical bills are introduced into each house at the time of submission of the governor's budget. A less structured situation is found in Colorado where legislators introduce competing bills.

Drafting of Bills. Although the drafting of the budget bill is usually considered a technical matter, the agency responsible for it may be seen by others as deriving substantial influence through detailed knowledge of its often complex provisions. Although several bills may be introduced or several agencies may cooperate in drafting bills, it is possible to identify the agency primarily responsible for the bill that passes. In general, the more comprehensive the bill, the more likely it is to be drafted by either the executive budget office or joint legislative committee staff.

In Michigan, the executive budget office historically drafts a bill reflecting the governor's budget, but the bill drafted by the upper house legislative staff appears to prevail. In Michigan, also, the state department of education is the state higher education agency that presents its recommendations in the form of a budget bill. As noted earlier, 1974 was the first year in which the budget bill in

Table I-17

Agencies Drafting Budget Bills and Number of Budget Bills

	Agency Drafting Budget Bills			
Number of Budget Bills	Executive Budget Office	Joint Legislative Staff	Separate Legislative Staff	Two agencies and/or Other
Single Bill for all State Services (13 states)	7	2	2	2
Separate Bill for Higher Education (3 states)	-	1	-	2
Separate Bill for Campuses and Multi-campus Systems (2 states)	-	-	-	2
Total (17 states)	7	3	2	6

Note: Pennsylvania's two agencies draft two different "numbers of budget bills."
Source: Table 11-72

Nebraska was drafted by legislative staff rather than the executive budget office.

Grouping of Campuses in Bills. At the early stages of budget formulation, questions of which campuses to group together and of the extent to which individual requests are to retain their identity are, to a large extent, within agency discretion. Answers may imply something about the nature of institutional and agency staff review, but not necessarily about actual use of funds. The budget bill, on the other hand, is law, and funds appropriated to one agency may not be spent by another.

Among the five states with consolidated governing boards, the budget bills group campuses in the same manner as the governor's budget (Tables II-64, 77). Similarly, in seven of the 10 states with multicampus systems, the budget bill groups campuses in the same manner as the governor's budget. The three exceptions are California, New York, and Illinois, where some multicampus systems receive appropriations on a consolidated basis even though their individual campuses are identified in the governor's budget (Tables II-63, 76). In Virginia and Washington, with only individually governed campuses, and in the four states that have such campuses in addition to multicampus systems, appropriations are aggregated and identify each campus (Table II-75).

Differences in campus grouping at each phase of budget formulation, particularly at the appropriation phase, undoubtedly have important implications for the flexible use of funds among campuses under consolidated governing boards or within multicampus systems. Our initial impression, however, is that these differences, both within and across states, are more often a result of tradition and history than they are of a deliberate recognition of current needs for flexibility.

Bill Format. Because of the greater level of aggregation in budget bills, technical classification of their formats is somewhat less difficult than that of other formal budget documents. Considerable diversity, however, in the extent to which data are aggregated, is, of course, found among budget bills. The single budget bill for all state services in Texas, with over 20 lines per campus, intermingles amounts for objects of expenditures, organizational units, organizational functions, and specific academic or research programs. The budget bill for state services in Pennsylvania, in contrast, contains only a single line, a lump sum, for the 14 state colleges and one university. There does not appear to be a direct relationship between the number of lines in a budget bill and the degree of state control exercised over the administration of campus funds. The more lines, however, the greater it would seem is the potential for such control.

In none of the 17 states could the appropriation bill be classified as having a program format if "program" is rigorously defined as an aggregated set of activities that directly produce specific outputs, such as degrees in particular fields.[17]

In this specialized sense, instruction or library services would be classified as organizational functions that facilitate primary programs (e.g., biological sciences or agricultural research) designed to produce such outputs as persons with particular skills and attitudes. In this report, budget bills are categorized as emphasizing: (1) an object-of-expenditure format, (2) an organizational functions format, (3) a WICHE/NCHEMS format,[18] or (4) a lump-sum format. The seven WICHE/NCHEMS program elements are primarily organizational functions, rather than programs in the rigorous sense defined above. However, they constitute a specific presentation of higher education financial information that is being widely adopted.

---

[17] Werner Z. Hirsch provides a definition of the primary characteristics of a program budget in: "Toward Federal Program Budgeting," Public Administration Review, Vol. VI, No. 4, December 1966.

The several classifications are (Table II-73):

Object-of-expenditure budget bills are found in three states, of which Illinois is an example. Most budget bills, however, contain some object-of-expenditure lines, regardless of their primary classification.

Functional budget bills are found in five states, of which Texas is an example.

WICHE/NCHEMS or modified NCHEMS budget bills are found in five states, of which Hawaii is an example.

Lump-sum budget bills are found in six states, of which Mississippi is an example.

It should be noted that two states have more than one budget bill format: Wisconsin uses organizational function and modified NCHEMS programs, while Pennsylvania uses both organizational functions and lump-sum formats.

Regardless of technical classification of the format, budget lines generally establish control points for expenditure. The relationship between the number of these lines in representative appropriations and the technical classification reflects conventional wisdom: only lump-sum budgets have less than five lines, except in the case of

---

[18] See National Center for Higher Education Management Systems at WICHE, Program Classification Structure, Technical Report 27, January 1972.

Mississippi (Tables II-73, 74).

A recent change in the format of the budget bill in New York illustrates the difficulties of classification, the importance of the number of lines, and also the impact of state politics. Budget bills prior to fiscal 1973-74 appropriated funds to each campus of the State University of New York in a single line, essentially lump-sum budget. The state controller, an elected official, challenged the constitutionality of the appropriation format, contending that a detailed line-item appropriation was required. The legislature, seeking a larger role through greater detail, sided with the controller. The executive budget office, defending its own flexibility as well as that of the State University campuses, opposed greater detail. Under a compromise solution, appropriations are now made to each campus in "seven functional categories."[19] Transfers among the seven functional categories are restricted and require approval of the executive budget office.

Control Language and Legislative Intent. As noted, control over expenditures is implied in a budget bill by particular groupings of campuses and by the number and types of appropriation lines. In every state, however, these may be supplemented by legal restrictions--either in general law or in specific budget bill language--or by expressions of legislative intent, or by both.

---

[19] State University of New York, Campus-Central Staff Relationships, Albany, N.Y.: State University of New York, 1973, pp. V-25-27. The categories are those of the WICHE/NCHEMS Program Classification Structure.

Provisions of general law restrict transfers in a state such as Illinois. In a few instances the budget bills themselves condition or prohibit transfers among programs or campuses. The major implications of these restrictions, which have the force of law, are found in budget execution or administration, as opposed to budget development or formulation, and are not considered here. It should be noted, however, that what may appear to be restrictive language in an appropriation bill for higher education can in fact be a liberalization of otherwise prohibitory provisions of a general statute.

Although statements of legislative policy or intent lack the force of legislation, they are ignored at the peril of facing the same issue and same legislators during the next budget cycle. Such statements are part of budget bills in seven states, are found in separate reports of legislative committees in four states, and are in both bills and separate reports in four states. In two states, the legislature does not express policy other than through the actual appropriations (Table II-71).

An example of legislative intent that appears to be part of the budget bill is found in Florida, where a lump-sum appropriation is qualified by "the intent of the Legislature" that a specific sum be reallocated to facilitate educational opportunity.

Outside of the budget bill, legislative intent may appear in formal committee reports, as in California, or less formally in a press release, as in New York. These expressions of intent are often quite specific. In California, for example, the intent that an oral history program continue at a specific campus qualifies a lump-sum appropriation to a multicampus system. In New York, a lump-sum appropriation of student financial aid to the central offices of a multicampus system is qualified by legislative intent that details its allocation to specific campuses.

Appropriation of Institutional Revenue. The major purpose of the budget bill is the appropriation of state general funds for institutional support. But few, if any, institutions of higher education are solely supported by the state. Additional operating support is almost always provided by tuition from students, gifts from alumni, and income from endowment, from grants, contracts and indirect cost reimbursement, and from auxiliary enterprises. Formal budgetary documents may or may not reflect these additional sources of support. Even when they do, little is revealed about the underlying tension that is often found between the institutional desire to maintain flexibility through their use and the state's equally legitimate interest in assuring appropriate use of state general fund support. The issue of flexibility versus control is not only analytic rather than descriptive, but the major differences do not appear in either the early stages of budgetary formulation or in the formal inclusion of these funds in the budget bill. Rather, the analytic issue is met most clearly in the execution phase of the budget process, which is beyond the scope of the present study.

Governor's Veto

In all 17 states in the study, the governor has line-item veto authority, and the threat of veto is an effective instrument in negotiation. In five of these states, he can also reduce the amount in an appropriation line (Table II-78). The extent to which line-item veto authority alone strengthens a governor's hand depends on the budget format. If there are many appropriation lines, then line-item veto authority can be exercised with precision to effect executive policy. On the other hand, as in Mississippi, where the budget is essentially in lump-sum format, such veto authority is probably so blunt an instrument that it adds little to executive power.

A variation in veto authority is found in New York, where the governor has line-item veto authority, but cannot reduce amounts within lines. In its consideration of the governor's budget, the legislature may reduce or delete items, but any increase must be by a separate item, which is subject to veto. As a consequence, the governor can reduce amounts to the level of his budget.

Part II

Tabular Comparison of State Higher Education Budgeting Practices

EXPLANATORY NOTE

Part II consists of a series of tables which classify selected features of the state budget process for higher education. Their ordering corresponds to the structure of topics discussed in Part I. This method of presentation was chosen to provide ready comparison between states and agencies and to make it possible to scan the budget process data quickly for scattered items of interest.

Classification inevitably discards some information on the unique characteristics of the budget process in question and may produce ambiguous entries in the tables. In order to reduce such problems of classification two types of notes to the tables have been used liberally and are extremely important. *General notes* are used to explain the purpose or define the content of a table where these are not clear from the title and column headings alone. *State notes*, in alphabetical order by state, describe, clarify, or qualify the tabular presentation wherever needed. Many of these notes need to be considered within the context of the individual state descriptions in Part III.

The tables in Part II describe state budgetary processes at the time of the field investigation during 1974. In almost all instances, the development of the annual budget for fiscal 1975 is described; in a few cases the description is based on the development of the fiscal 1976 budget. In notes to these Tables and in the individual state descriptions in Part III, recent or proposed changes are described where necessary to qualify the presentation. Five states--Hawaii, Virginia, Texas, Wisconsin, and Washington--have biennial budget cycles. These are mentioned in both the notes to the tables in Part II and in the individual state descriptions.

Table 1: PROFESSIONAL STAFF SIZE AND ALLOCATION OF TIME TO HIGHER EDUCATION OPERATING BUDGETS: EXECUTIVE BUDGET OFFICE

	Total number of professional staff	Number of professional staff assigned to higher education operating budget	Agency's estimate of percentage of time spent on higher education operating budget	
			Routine/ technical	Policy
California	101	9.5	20	80
Colorado	15	3	50	50
Connecticut	35.5	6	60	40
Florida	29	4	80	20
Hawaii	36	4	80	20
Illinois	62	3	20	80
Kansas	15	1	85	15
Michigan	30	4	80	20
Mississippi				
Nebraska	9	4	50	50
New York	160	9	75	25
Pennsylvania	45	2	60	40
Tennessee	10	1	20	80
Texas	10	3		
Virginia	12	4	80	20
Washington	22	2	75	25
Wisconsin	28	4	25	75
Total	619.5	63.5		

Explanatory Notes: "Professional staff" listed include all employees except those who perform clerical or other duties that do not ordinarily require a bachelor's or advanced degree.

The number of staff does not reflect the actual man-years assigned to the formulation of higher education operating budgets as staff typically are assigned a variety of additional responsibilities.

STATE NOTES

Table 1

Connecticut: The six professional staff assigned to higher education operating budgets spend approximately four man-years on this task. The remaining two man-years are spent on other areas of education.

Virginia: The additional professional assistance of one person is used during the budget review period.

Table 2: LEGISLATIVE COMMITTEES RESPONSIBLE FOR HIGHER EDUCATION OPERATING BUDGETS: PROFESSIONAL STAFFING

	Joint Fiscal Committee Staff					Upper House Fiscal Committee Staff					Lower House Fiscal Committee Staff				
	Yes				No	Yes				No	Yes				No
	Full-time		Staff Comms. of Houses			Full-time		Divided by party			Full-time		Divided by party		
	Yes	No	Yes	No		Yes	No	Yes	No		Yes	No	Yes	No	
California	x			x		x			x		x			x	
Colorado	x		x							x					x
Connecticut	x		x							x					x
Florida					NA	x			x		x			x	
Hawaii					NA	x			x		x			x	
Illinois					NA	x		x			x		x		
Kansas	x		x							x					x
Michigan					NA	x			x		x			x	
Mississippi	x		x							x					x
Nebraska	x														
New York					NA	x			x		x			x	
Pennsylvania					x	x		x			x		x		
Tennessee	x		x			x			x						x
Texas	x		x							x					x
Virginia					NA		x				x			x	
Washington					x	x		x			x		x		
Wisconsin	x		x							x					x
Total	9	0	7	1	2	9	1	3	6	5	9	0	3	6	6

Explanatory Notes: "Professional staff" listed includes all employees except those who perform clerical or other duties that do not ordinarily require a bachelor's or advanced degree.

"NA," not applicable, indicates those states with no joint legislative fiscal committees.

STATE NOTES

Table 2

California: The Legislative Analyst's office provides staff services for the Senate Finance Committee on higher education matters. In addition, the Assembly Ways and Means Committee has had its own staff member for higher education matters.

Connecticut: The Office of Fiscal Analysis provides staff for the Committees of both houses, which meet jointly to consider the budget.

Kansas: There is no joint fiscal committee. The Ways and Means Committees of both Houses are served jointly by a newly created staff office. The Committees consider the budget jointly, but may make differing recommendations.

Nebraska: Because of the unicameral legislature there is only one committee.

Washington: The House and Senate Ways and Means Committees each have majority and minority party staffs reporting to single staff directors.

Table 3: PROFESSIONAL STAFF SIZE AND ALLOCATION OF TIME TO HIGHER EDUCATION OPERATING BUDGETS: JOINT LEGISLATIVE BUDGET OR FISCAL COMMITTEE

	Total number of professional staff	Number of professional staff assigned to higher education operating budget	Agency's estimate of percentage of time spent on higher education operating budget	
			Routine/ technical	Policy
California	52	4		
Colorado	6	2	25	75
Connecticut	2	1		
Florida				
Hawaii				
Illinois				
Kansas	2	1		
Michigan				
Mississippi	6	2		
Nebraska	12	4	30	70
New York				
Pennsylvania				
Tennessee	3	0	100	0
Texas	18	4	60	40
Virginia				
Washington				
Wisconsin	10	3	50	50
Total	111	21		

Explanatory Notes: "Professional staff" listed include all employees except those who perform clerical or other duties that do not ordinarily require a bachelor's or advanced degree.

The number of staff does not reflect the actual man-years assigned to the formulation of higher education operating budgets as staff typically are assigned a variety of additional responsibilities.

STATE NOTES

Table 3

Kansas: A joint staff for the Ways and Means Committee of the two houses was established in July 1974.

Tennessee: All staff members are involved, to some degree, in the review of higher education operating budgets.

Table 4: PROFESSIONAL STAFF SIZE AND ALLOCATION OF TIME TO HIGHER EDUCATION OPERATING BUDGETS: UPPER LEGISLATIVE HOUSE FISCAL OR BUDGET COMMITTEE

	Total number of professional staff	Number of professional staff assigned to higher education operating budget	Agency's estimate of percentage of time spent on higher education operating budget	
			Routine/ technical	Policy
California	1	0		
Colorado				
Connecticut				
Florida	10	1	60	40
Hawaii	6	2	50	50
Illinois	8	2	20	80
Kansas				
Michigan	12	2	40	60
Mississippi				
Nebraska				
New York	11	2	40	60
Pennsylvania	3	0		
Tennessee	1	0		
Texas				
Virginia				
Washington	6	2		
Wisconsin				
Total	58	11		

Explanatory Notes: "Professional staff" listed include all employees except those who perform clerical or other duties that do not ordinarily require a bachelor's or advanced degree.

The number of staff does not reflect the actual man-years assigned to the formulation of higher education operating budgets as staff typically are assigned a variety of additional responsibilities.

STATE NOTES

Table 4

Illinois: The Senate Appropriations Committee has both majority and minority party staffs. The breakdown is as follows:

	Total number of prof. staff	Number of prof. staff assigned to hi. ed. operating budget	Agency's estimate of percentage of time spent on hi. ed. operating budget	
			Routine/Technical	Policy
Republican	4	1	20	80
Democratic	4	1	20	80

Pennsylvania: All three staff members are involved to some degree with higher education operating budgets. The total number of professional staff includes both majority and minority party staffs.

Tennessee: The staff position was newly established in 1974.

Washington: The Senate Ways and Means Committee has majority and minority party staffs who report to a single staff director. They spend approximately one man-year on higher education budget matters.

Table 5: PROFESSIONAL STAFF SIZE AND ALLOCATION OF TIME TO HIGHER EDUCATION OPERATING BUDGETS: LOWER LEGISLATIVE HOUSE FISCAL OR BUDGET COMMITTEE

	Total number of professional staff	Number of professional staff assigned to higher education operating budget	Agency's estimate of percentage of time spent on higher education operating budget	
			Routine/ technical	Policy
California	1	1		
Colorado				
Connecticut				
Florida	10	1	50	50
Hawaii	5	1	80	20
Illinois	23	2	60	40
Kansas				
Michigan	12	1		
Mississippi				
Nebraska				
New York	12	1	50	50
Pennsylvania	5	0		
Tennessee				
Texas				
Virginia	4	1	75	25
Washington	10	2		
Wisconsin				
Total	82	10		

Explanatory Notes: "Professional staff" listed includes all employees except those who perform clerical or other duties that do not ordinarily require a bachelor's or advanced degree.

The number of staff does not reflect the actual man-years assigned to the formulation of higher education operating budgets as staff typically are assigned a variety of additional responsibilities.

STATE NOTES

Hawaii: Some temporary staff are hired just for the legislative session.

Illinois: The House Appropriations Committee has both majority and minority party staffs. The breakdown is as follows:

	Total number of prof. staff	Number of prof. staff assigned to hi. ed. operating budgets	Agency's estimate of percentage of time spent on hi. ed. operating budget	
			Routine/Technical	Policy
Republican	9	1	60	40
Democratic	14	1	60	40

Pennsylvania: All five staff members are involved to some degree with higher education operating budgets. The total number of professional staff shown is for both majority and minority staffs.

Washington: The House Ways and Means Committee has majority and minority party staffs who report to a single staff director.

Table 6: PROFESSIONAL STAFF SIZE AND ALLOCATION OF TIME TO HIGHER EDUCATION OPERATING BUDGETS: CONSOLIDATED GOVERNING BOARD

	Total number of professional staff	Number of professional staff assigned to higher education operating budget	Agency's estimate of percentage of time spent on higher education operating budget	
			Routine/ technical	Policy
California				
Colorado				
Connecticut				
Florida	43	11	40	60
Hawaii	80	6	75	25
Illinois				
Kansas	5	1	85	15
Michigan				
Mississippi	4	2	40	60
Nebraska				
New York				
Pennsylvania				
Tennessee				
Texas				
Virginia				
Washington				
Wisconsin	134	31	40	60
Total	266	51		

Explanatory Notes: "Professional staff" listed includes all employees except those who perform clerical or other duties that do not ordinarily require a bachelor's or advanced degree.

The number of staff does not reflect the actual man-years assigned to the formulation of higher education operating budgets as staff typically are assigned a variety of additional responsibilities.

STATE NOTE

Mississippi: The number of professional staff excludes certain research, technical, and managerial personnel.

Table 7: PROFESSIONAL STAFF SIZE AND ALLOCATION OF TIME TO HIGHER EDUCATION OPERATING BUDGETS: COORDINATING AGENCY

	Total number of professional staff	Number of professional staff assigned to higher education operating budget	Agency's estimate of percentage of time spent on higher education operating budget	
			Routine/ technical	Policy
California	19	0		
Colorado	13	2	50	50
Connecticut	15	1	70	30
Florida				
Hawaii				
Illinois	27	5	35	65
Kansas				
Michigan				
Mississippi				
Nebraska				
New York				
Pennsylvania				
Tennessee	25	7	70	30
Texas	60	3	60	40
Virginia	15	2.5	90	10
Washington	11	1.5		
Wisconsin				
Total	185	22.0		

Explanatory Notes: "Professional staff" listed includes all employees except those who perform clerical or other duties that do not ordinarily require a bachelor's or advanced degree.

The number of staff does not reflect the actual man-years assigned to the formulation of higher education operating budgets as staff typically are assigned a variety of additional responsibilities.

Table 7

STATE NOTES

NONE

Table 8: PROFESSIONAL STAFF SIZE AND ALLOCATION OF TIME TO HIGHER EDUCATION OPERATING BUDGETS: STATE DEPARTMENT OF EDUCATION

	Total number of professional staff	Number of professional staff assigned to higher education operating budget	Agency's estimate of percentage of time spent on higher education operating budget	
			Routine/ technical	Policy
California				
Colorado				
Connecticut				
Florida	67	15	60	40
Hawaii				
Illinois				
Kansas				
Michigan	6	1	10	90
Mississippi				
Nebraska				
New York	146	0		
Pennsylvania	70	4	90	10
Tennessee				
Texas				
Virginia				
Washington				
Wisconsin				
Total	289	20		

Explanatory Notes: The number of professional staff listed is for the higher education unit within the Department of Education. The figures do not include professional staff located in other parts of the Department of Education that provide administrative or support services to the higher education unit. "Professional staff" listed includes all employees except those who perform clerical or other duties that do not ordinarily require a bachelor's or advanced degree.

The number of staff does not reflect the actual man-years assigned to the formulation of higher education operating budgets as staff typically are assigned a variety of additional responsibilities.

STATE NOTES

NONE

Table 9: STATE AGENCY PERFORMANCE AUDIT STAFFS: EXISTENCE, LOCATION, AND SIZE OF PROFESSIONAL STAFF

	Performance audit staff		Location of performance audit staff								
			Reports to legislature			Reports to Governor or other elected official			Independent agency		
			No. of prof. staff	Has made studies of higher educ		No. of staff	Has made studies of higher educ		No. of staff	Has made studies of higher educ	
	No	Yes		No	Yes		No	Yes		No	Yes
California		x	92		x	40		x			
Colorado	x										
Connecticut		x	4		x						
Florida	x										
Hawaii		x	25		x						
Illinois		x	19	x							
Kansas		x	17		x						
Michigan		x	30		x						
Mississippi		x	18	x							
Nebraska		x							8	x	
New York		x				8	x				
Pennsylvania		x	3		x	9		x			
Tennessee	x										
Texas		x	11		x						
Virginia		x	9	x							
Washington		x	13		x						
Wisconsin		x	37		x	7	x				
Total	3	14	278	3	9	64	2	2	8	1	0

Explanatory Notes: "Professional staff" listed includes all employees except those who perform clerical or other duties that do not ordinarily require a bachelor's or advanced degree.

For the purposes of this table a performance audit is considered to be a formal analysis or evaluation of program content or an examination of the service provided by a program in relation to stated purposes or expectations. It is differentiated from other types of audits by its focus on program or policy substance rather than on administrative or accounting procedure.

STATE NOTES

Table 9

California: There are two staffs engaged in program audits of higher education that report to the legislature: 1) the Auditor General has a professional staff of 50 and has conducted three studies of higher education in the past two years; and 2) the Legislative Budget Committee has a professional staff of 42, who engage in performance audits as well as budget analysis (three of these individuals are primarily concerned with higher education).

Illinois: The Auditor General's staff performs both fiscal and performance audits. The staff is growing as of December 1974; a staff size of 30-40 persons is projected within the next two to three years.

Nebraska: The State Auditor is an elected constitutional officer. The performance audit budget was $46,636 in FY 1973-74 and $260,000 in FY 1974-75. The agency can hire any number of positions within its budgetary limitations.

Texas: The Legislative Budget Board has a Program Evaluation Unit. The unit has conducted limited studies in higher education, at individual institutions, upon request of legislators.

Wisconsin: The Legislative Audit Bureau whose staff is reported above is beginning to undertake performance audits, but has focused on management and efficiency studies in the last three years. The Legislative Fiscal Bureau is also directed by statute to review existing as well as proposed programs, and conducts interim program evaluation projects in higher education as well as other areas. The Management Analysis section of the Department of Administration has scheduled several studies of higher education. The Management Analysis section will perform the following functions for the above groupings of state agencies: 1) evaluate proposed reorganizations within the agencies, which must be approved by the governor; 2) conduct management reviews--like a management consulting firm--that state agencies ask for; 3) conduct program evaluations of their own; and 4) conduct reviews of certain statewide programs that do not fit in any one agency.

Table 10: ORGANIZATIONAL DISTANCE BETWEEN GOVERNOR AND BUDGET OFFICE ANALYSTS FOR HIGHER EDUCATION

	Political Appointees Other than Analysts			Civil Service Officials Other than Analysts			Number of Analysts		Distance
	Reports to Governor	2nd in line	3rd in line	Top Civil Servant	2nd in line	3rd in line	Civil Service	Political appointees	
California	x	x		x	x		8	0	4
Colorado	x			x			1	0	2
Connecticut	x	x		x	x	x	6	0	5
Florida	x	x		x			4	0	3
Hawaii				x	x		2	0	2
Illinois	x	x					0	2	2
Kansas	x			x			1	0	2
Michigan	x			x	x		3	0	3
Mississippi									
Nebraska	x	x					4	0	2
New York	x	x		x	x		8	0	4
Pennsylvania	x			x	x		2	0	3
Tennessee	x	x	x				0	1	3
Texas	x						0	2	1
Virginia	x	x		x			2	0	3
Washington	x	x		x	x		2	0	4
Wisconsin	x	x		x	x		3	0	4
Total	15	10	1	12	8	1	46	5	

Explanatory Note: Organizational distance indicates the number of officials in the hierarchy between higher education analysts in the Executive Budget Office and the governor. The man-years spent on higher education budgets may be less than the number of analysts.

Table 10

STATE NOTES

NONE

Table 11: ORGANIZATIONAL DISTANCE BETWEEN LEGISLATORS AND LEGISLATIVE FISCAL STAFF FOR HIGHER EDUCATION

	Joint Budget or Fiscal Committee Staff					Upper House Budget or Fiscal Committee Staff					Lower House Budget or Fiscal Committee Staff				
	Rpts Dir to Comm	2nd in line	3rd in line	Num of Analysts	Distance	Rpts Dir to Comm	2nd in line	3rd in line	Num of Analysts	Distance	Rpts Dir to Comm	2nd in line	3rd in line	Num of Analysts	Distance
California	x	x	x	3	3						x				0
Colorado	x			2	1										
Connecticut	x			2	1										
Florida						x			1	1	x			2	1
Hawaii				2	0									1	0
Illinois						2			2	1	2			2	1
Kansas				2	0										
Michigan						x			2	1	x			1	1
Mississippi	x			2	1										
Nebraska	x			4	1										
New York						x			2	1	x			1	1
Pennsylvania						2			1	1	2			3	1
Tennessee	x			2	1	x				0					
Texas	x	x		3	2										
Virginia											x			1	1
Washington						x			6	1	x			9	1
Wisconsin	x			3	1										
Total	9	2	1	25		9	0	0	14		10	0	0	20	

Explanatory Note: Organizational distance indicates the number of officials between higher education analysts in legislative fiscal staffs and elected legislators.

STATE NOTES

Illinois: The House and Senate Appropriations Committees have both majority and minority staffs, each with its own director. The staff breakdown is as follows:

	Republican			Democratic		
	Director	Analysts	Distance	Director	Analysts	Distance
Senate	1	1	1	1	1	1
House	1	1	1	1	1	1

Pennsylvania: The House and Senate Appropriation Committees have both majority and minority staffs, each with its own director. The staff breakdown is shown below:

	Republican			Democratic		
	Director	Analysts	Distance	Director	Analysts	Distance
Senate	1	1	1	1	0	0
House	1	1	1	1	2	1

Tennessee: All three staff members are involved to some degree with higher education operating budgets, including the director.

Table 12: STATUTORY RESPONSIBILITIES OF STATE HIGHER EDUCATION AGENCIES

	Statewide long-range or master planning for higher education			Review and/or approval of institutional role and scope			Review and/or approval of new academic programs at public campuses			Higher education information collection			Review and/or approval of tuition levels			Review and/or approval of budgetary formulas		
	Cons Gov Bd	Coor Agy	St. Dept Educ	Cons Gov Bd	Coor Agy	St. Dept Educ	Cons Gov Bd	Coor Agy	St. Dept Educ	Cons Gov Bd	Coor Agy	St. Dept Educ	Cons Gov Bd	Coor Agy	St. Dept Educ	Cons Gov Bd	Coor Agy	St. Dept Educ
California		x						x			x							
Colorado		x			x			x			x			x			x	
Connecticut		x									x						x	
Florida	x			x			x			x			x			x		
Hawaii	x			x			x			x			x					
Illinois		x			x			x			x			x				
Kansas				x			x						x					
Michigan			x															
Mississippi				x			x			x			x			x		
Nebraska																		
New York			x			x			x									
Pennsylvania			x						x			x			x			
Tennessee		x			x			x			x			x			x	
Texas		x			x			x			x						x	
Virginia		x			x			x			x						x	
Washington		x			x			x			x			x				
Wisconsin	x			x			x			x			x			x		
Total	3	8	3	5	6	1	5	7	2	4	8	1	5	4	1	3	5	0

Explanatory Notes: Cons Gov Bd: Statewide consolidated governing board
Coor Agy: Statewide coordinating agency
St. Dept Educ: State department of education

STATE NOTES

Table 12

California: The legislature determines the role and scope of the three higher education systems. Within each system determination of the role and scope of each campus is made by the system's governing board.

Michigan: The Department of Education is seeking authority from the state supreme court to review and approve new programs. Two lower courts have ruled that the Department lacks such authority.

Pennsylvania: Authority for review of new programs, information collection, and establishment of tuition, pertains to the State colleges and university only.

Tennessee: The Higher Education Commission has statutory responsibility for making recommendations to governing boards on tuitions. The Department of Finance and Administration is responsible for review of budget formulas.

Texas: The Coordinating Board determines formulas, which are generally used by the governor's Budget Office and Legislative Budget Board staffs. The Coordinating Board recommends tuition rates to the governor and legislature.

Virginia: The Council of Higher Education has statutory responsibility for policies, formulas, and guidelines, in consultation with the Division of the Budget.

Washington: The Council on Higher Education has statutory responsibility for making recommendations on institutional role and scope, and new academic programs.

Wisconsin: The Department of Administration also reviews/determines some of the formulas.

Table 13: TYPE OF STATEWIDE COORDINATION OF HIGHER EDUCATION AND EXTENT OF BUDGETARY ACTIVITY OF COORDINATING AGENCIES, 1973-74

	Consolidated governing board				Coordinating agency or St Dept of Education								Voluntary coordination
	Reviews level of support		Reviews new programs and/or their costs	Develops and/or approves formulas	Type		Statutory budgetary authority		Reviews level of support		Reviews new programs and/or their costs	Develops and/or approves formulas	
	General	Detailed			CA	SDE	With	W/O	General	Detailed			
California					X		X		X				
Colorado					X		X			X	X		
Connecticut					X		X			X	X	X	
Florida		X	X	X		X	X			X	X	X	
Hawaii		X	X										
Illinois					X		X			X	X		
Kansas		X	X	X									
Michigan						X	X		X				
Mississippi	X		X	X									
Nebraska													X
New York						X		X			X		
Pennsylvania						X	X			X	X	X	
Tennessee					X		X			X	X	X	
Texas					X			X		X	X	X	
Virginia					X			X	X		X	X	
Washington					X			X	X		X	X	
Wisconsin		X	X	X									
Total	1	4	5	4	8	4	8	4	4	7	10	7	1

Explanatory Note: General review of the level of support denotes an examination of the overall financial status of institutions or classes of institutions vis-à-vis other states or vis-à-vis state policy objectives. Detailed review of the level of support denotes a thorough technical review of institutions' budget submissions, with subsequent detailed recommendations.

STATE NOTES

Table 13

California:	The California Coordinating Council for Higher Education had authority to make reviews of the general level of state support for higher education, but ceased to do so in 1967. The Postsecondary Education Commission which superseded the CCHE in 1974 is expected to review budgets in order to advise state officials on policy issues and to recommend general levels of support.
Florida:	The State Department of Education in Florida also reviews the operating budget request along with the Board of Regents. Department of Education staff review is primarily technical. For purposes of this report, Florida is considered a consolidated governing board state.
Michigan:	The State Board of Education has statutory budget responsibility in the limited sense that they are to advise the legislature as to the financial requirements of all public higher education in the State as specified in the State constitution. The Department of Education is seeking the authority to review and approve new programs from the State Supreme Court. Two lower courts have ruled that the Department has no such authority.
Mississippi:	The Board of Trustees review of budget requests is general, but review of the institutions' operating budgets, which takes place before the beginning of the fiscal year, is detailed.
Texas:	The Coordinating Board does not have budgetary review authority. However, the Board does develop budgetary formulas, which set the bounds on budget requests. Detailed reviews of the level of support of higher education are undertaken when the formulas are set.
Virginia:	Starting with the next biennial budget cycle for 1976-78, the Council of Higher Education will have statutory budget authority. It currently exerts an influence on budget review through consultation with the Budget Division on funding policies, formulas, and guidelines.
Washington:	Although the Council on Higher Education does not have formal budgetary authority, it plays an influential role in budget decisions through participation in the development of formulas, program reviews, and its studies of unit costs.

Table 14: ANNUAL COMPENSATION OF EXECUTIVE OFFICERS OF STATE AGENCIES WITH RESPONSIBILITY FOR HIGHER EDUCATION OPERATING BUDGETS FOR 1973-74

	Chief State Fiscal Officer	Director, Joint Legislative Fiscal Staff	Director, Upper House Fiscal Staff	Director, Lower House Fiscal Staff	Director, Consolidated Governing Board	Director, Coordinating Agency	Chief Higher Education Officer, State Dept of Education
California	49,100	40,100				40,464	
Colorado	32,000	31,900				36,000	
Connecticut	33,984	22,500				44,083	
Florida	31,000		32,500	33,000	49,310		
Hawaii	30,250		23,400	22,200	40,000		
Illinois	35,000		20,000-28,000	22,000-26,000		47,000	
Kansas	24,369	25,000			30,000		
Michigan	32,698		29,000	28,000			35,287
Mississippi		22,731			31,152		
Nebraska	19,343	22,500					
New York	44,175		40,000	43,324			41,064
Pennsylvania	29,829		Unavailable	Unavailable			30,540
Tennessee	34,188	30,800				39,500	
Texas	25,000	30,500				38,500	
Virginia	28,675					32,500	
Washington	36,000		24,288	24,000		39,500	
Wisconsin	30,000	29,463			45,000		

Explanatory Note: Population Quintiles: 1st - California, Florida, Illinois, Michigan, New York, Pennsylvania, Texas; 2nd - Tennessee, Virginia, Wisconsin; 3rd - Colorado, Connecticut, Kansas, Mississippi, Washington; 4th - Hawaii, Nebraska; 5th - None.

STATE NOTES

Table 14

Connecticut: Salary listed is that of the Commissioner of Finance and Control. The annual salary of the Managing Director of the Planning and Budgeting Division is $24,378.

Illinois: The House and Senate Appropriation Committees both have majority and minority staffs. Each of the four staffs has a staff director. The salaries of each of these directors is:

	Democratic	Republican
Senate:	$28,000	$20,000
House:	$22,000	$26,000

Kansas: Salary listed is that of the Secretary of the Department of Administration. The salary of the Director of the Budget, who has served for many years and consequently has considerable seniority, is $36,552.

Nebraska: Salary listed is that of the State Budget Administrator, who is subordinate to the Director of the Department of Administrative Services.

Pennsylvania: The House and Senate Appropriation Committees both have majority and minority staffs. Each of the four staffs has a staff director.

Virginia: There is no director for the staff of either the House or the Senate committees; only the House committee has permanent staff. The salary listed for "Chief State Fiscal Officer" is that of the Director of the Budget, who is appointed by the Governor and reports to the Secretary of Administration and Finance.

Wisconsin: The salary range for the chief state financial officer (the Director of Planning and Budget who is subordiance to the Secretary of Administration) is $25,000 to $30,000.

Table 15: APPLICABILITY OF CIVIL SERVICE AND/OR MERIT APPOINTMENT REGULATIONS TO STATE AGENCY PROFESSIONAL STAFF WITH HIGHER EDUCATION OPERATING BUDGET RESPONSIBILITIES

	Executive Fiscal Staff					Legislative Fiscal Staff					Consolidated Governing Board					Coordinating Agency					State Department of Education				
	Covered		Exceptions if covered			Covered		Exceptions if covered			Covered		Exceptions if covered			Covered		Exceptions if covered			Covered		Exceptions if covered		
	Yes	No	Dir	Dep Dir	Oth	Yes	No	Dir	Dep Dir	Oth	Yes	No	Dir	Dep Dir	Oth	Yes	No	Dir	Dep Dir	Oth	Yes	No	Dir	Dep Dir	Oth
California	X		X	X			X									X		X							
Colorado	X						X										X								
Connecticut	X		X	X			X										X								
Florida	X		X				X					X													
Hawaii	X		X	X			X					X													
Illinois		X					X										X								
Kansas	X		X				X					X													
Michigan	X		X				X														X		X		
Mississippi						X					X														
Nebraska	X		X	X			X																		
New York	X		X	X			X														X		X	X	X
Pennsylvania	X		X				X														X		X	X	X
Tennessee		X					X									X		X							
Texas	X		X				X										X								
Virginia	X		X				X									X									
Washington	X		X	X			X										X								
Wisconsin	X						X					X	X	X	X										
Total	14	2	12	6	0	1	16	0	0	0	1	4	1	1	1	3	5	2	0	0	3	0	3	2	2

Explanatory Note: "Professional staff" listed includes all employees except those who perform clerical or other duties that do not ordinarily require a bachelor's or advanced degree.

STATE NOTES

Table 15

California: In the Department of Finance the Director, Chief Deputy, Deputy Director, Program Budget Manager, and his principals are Career Executive Assignments, subject to removal at pleasure of appointing authority without cause being shown, but guaranteed return to prior civil service levels.

Florida: The Board of Regents administers a separate pay plan for professional staff.

Kansas: The Secretary of the Department of Administration is excepted from civil service. The Director of the Budget is not exempt.

Michigan: The Superintendent of Education is excepted from civil service. The Director of the Budget is not exempt.

Nebraska: Under the Executive Fiscal Staff, the "Dep Dir" exception is the State Budget Administrator. The exception for the Director is the Director of the Department of Administrative Services.

New York: In addition to one exception for the Deputy Commission for Higher and Professional Education, 24 additional professionals, out of 146 on his staff, are also exempt.

Pennsylvania: In addition to the Commissioner of Higher Education and his Deputy, individuals at the Assistant Commissioner level and above are excepted from civil service.

Tennessee: The "education analyst" series which has been established by the State Personnel Department for the majority of the Tennessee Higher Education Commission professional staff is within the civil service regulations. However, the Commission staff do not take merit examinations, although job specifications do contain certain minimum requirements.

Washington: The director and his deputy are exempted from civil service by law. Other professional staff are exempted through use of individual waivers.

Wisconsin: Twenty-four executive level positions in the University of Wisconsin system are placed in ranges of a state "Executive Salary Structure," but actual salaries are set by Regents. Staff in the Legislative Fiscal Bureau, although not in the classified service, are subject to civil service regulations. Classified professional staff are subject to civil service regulations.

Table 16: EXECUTIVE BUDGET OFFICE PREFERENCES ON ACADEMIC BACKGROUND FOR ITS PROFESSIONAL STAFF IN GENERAL AND FOR ITS STAFF WITH RESPONSIBILITY FOR HIGHER EDUCATION OPERATING BUDGETS

	Administration						Technical Fields				Liberal Arts			
	Public Admin		Business Admin		Educational Admin		Accounting		Computer Sciences		Political Science		Economics	
	Staff in Gen'l	Hi Ed Bdgt Staff	Staff in Gen'l	Hi Ed Bdgt Staff	Staff in Gen'l	Hi Ed Bdgt Staff	Staff in Gen'l	Hi Ed Bdgt Staff	Staff in Gen'l	Hi Ed Bdgt Staff	Staff in Gen'l	Hi Ed Bdgt Staff	Staff in Gen'l	Hi Ed Bdgt Staff
California	x	x	x	x					x	x	x	x	x	x
Colorado						x	x	x						
Connecticut	x	x	x	x							x	x	x	x
Florida	x	x	x	x			x	x			x	x	x	
Hawaii	x	x	x	x	x	x	x	x	x	x	x	x	x	x
Illinois	x	x	x	x		x					x	x	x	x
Kansas	x	x												
Michigan	x	x	x								x		x	
Mississippi														
Nebraska	x	x	x	x							x	x	x	x
New York	x	x					x				x		x	x
Pennsylvania	x	x									x	x		
Tennessee	x	x					x	x			x	x		
Texas	x	x	x	x	x	x					x	x	x	x
Virginia	x	x	x			x	x				x		x	
Washington	x	x	x	x							x	x	x	x
Wisconsin	x	x	x			x					x		x	
Total	15	15	11	8	2	6	6	4	2	2	14	10	12	8

Explanatory Note: "Professional staff" listed includes all employees except those who perform clerical or other duties that do not ordinarily require a bachelor's or advanced degree.

STATE NOTES

Table 16

California: Advanced Degrees are a "standard" requirement for most new hires. The Budget Division has a staff rotation policy. Therefore staff requirements do not differ between higher education and other areas.

Colorado: Academic backgrounds indicated are those of incumbents in 1974.

Virginia: Individuals with backgrounds in health administration or other program areas (as well as the areas listed above) are recruited.

Table 17: LEGISLATIVE FISCAL COMMITTEE PREFERENCES ON ACADEMIC BACKGROUND FOR ITS PROFESSIONAL STAFF IN GENERAL AND FOR ITS STAFF WITH RESPONSIBILITY FOR HIGHER EDUCATION OPERATING BUDGETS

	Administration						Technical Fields				Liberal Arts			
	Public Admin		Business Admin		Educational Admin		Accounting		Computer Sciences		Political Science		Economics	
	Staff in Gen'l	Hi Ed Bdgt Staff	Staff in Gen'l	Hi Ed Bdgt Staff	Staff in Gen'l	Hi Ed Bdgt Staff	Staff in Gen'l	Hi Ed Bdgt Staff	Staff in Gen'l	Hi Ed Bdgt Staff	Staff in Gen'l	Hi Ed Bdgt Staff	Staff in Gen'l	Hi Ed Bdgt Staff
California				x							x	x	x	x
Colorado		x	x	x										
Connecticut	x	x				x			x		x		x	
Florida	x		x	x			x	x	x	x	x		x	
Hawaii	x	x	x		x	x	x	x	x		x		x	x
Illinois	x	x	x	x			x	x			x	x	x	x
Kansas														
Michigan						x	x				x			
Mississippi			x	x			x	x						
Nebraska	x	x	x	x							x		x	x
New York	x	x	x	x	x	x	x		x		x	x	x	x
Pennsylvania			x				x							
Tennessee			x				x							
Texas	x	x	x	x			x	x	x	x	x	x	x	x
Virginia	x		x				x	x			x		x	
Washington							x	x					x	x
Wisconsin	x		x								x	x	x	x
Total	9	7	12	8	2	4	11	7	5	2	11	5	11	8

Explanatory Note: "Professional staff" listed includes all employees except those who perform clerical or other duties that do not ordinarily require a bachelor's or advanced degree.

STATE NOTES

Table 17

California: The Office of the Legislative Analyst recruits at the MA level only. There are no strong preferences for academic background except for those analysts examining technical fields, such as construction (which requires engineers and architects). Academic backgrounds indicated are those of incumbents in 1974.

Colorado: Academic backgrounds indicated are those of incumbents in 1974.

Illinois: House Republican staff accepts persons having a variety of degrees and backgrounds.

Michigan: Academic backgrounds indicated are those of incumbents in 1974.

Mississippi: Academic backgrounds indicated are those in incumbents in 1974.

New York: Preferences shown are those for the Senate staffs. No preferences were indicated by the Assembly.

Pennsylvania: There are four Appropriation Committee staffs. Academic backgrounds indicated are those of incumbents in 1974.

Washington: In addition to the shared preferences shown, the Senate Ways and Means Committee prefers public administration and political science backgrounds while the House Ways and Means Committee prefers business administration backgrounds.

Wisconsin: The Legislative Fiscal Bureau accepts persons having a variety of degrees and backgrounds.

Table 18: CONSOLIDATED GOVERNING BOARD PREFERENCES ON ACADEMIC BACKGROUND FOR ITS PROFESSIONAL STAFF IN GENERAL AND FOR ITS STAFF WITH RESPONSIBILITY FOR HIGHER EDUCATION OPERATING BUDGETS

	Administration						Technical Fields				Liberal Arts			
	Public Admin		Business Admin		Educational Admin		Accounting		Computer Sciences		Political Science		Economics	
	Staff in Gen'l	Hi Ed Bdgt Staff	Staff in Gen'l	Hi Ed Bdgt Staff	Staff in Gen'l	Hi Ed Bdgt Staff	Staff in Gen'l	Hi Ed Bdgt Staff	Staff in Gen'l	Hi Ed Bdgt Staff	Staff in Gen'l	Hi Ed Bdgt Staff	Staff in Gen'l	Hi Ed Bdgt Staff
California														
Colorado														
Connecticut														
Florida	x	x	x	x	x		x	x			x	x	x	x
Hawaii	x	x	x	x	x	x		x		x	x	x	x	x
Illinois														
Kansas				x	x	x		x		x				x
Michigan														
Mississippi	x			x	x	x		x		x	x		x	
Nebraska														
New York														
Pennsylvania														
Tennessee														
Texas														
Virginia														
Washington														
Wisconsin	x	x		x	x	x	x		x	x	x	x		x
Total	4	3	2	5	5	4	2	4	1	4	4	3	3	4

Explanatory Note: "Professional staff" listed includes all employees except those who perform clerical or other duties that do not ordinarily require a bachelor's or advanced degree.

STATE NOTE

Table 18

Mississippi: The Board of Trustees also seeks individuals with nursing and facilities backgrounds.

Table 19: COORDINATING AGENCY PREFERENCES ON ACADEMIC BACKGROUND FOR ITS PROFESSIONAL STAFF IN GENERAL AND FOR ITS STAFF WITH RESPONSIBILITY FOR HIGHER EDUCATION OPERATING BUDGETS

	Administration						Technical Fields				Liberal Arts			
	Public Admin		Business Admin		Educational Admin		Accounting		Computer Sciences		Political Science		Economics	
	Staff in Gen'l	Hi Ed Bdgt Staff	Staff in Gen'l	Hi Ed Bdgt Staff	Staff in Gen'l	Hi Ed Bdgt Staff	Staff in Gen'l	Hi Ed Bdgt Staff	Staff in Gen'l	Hi Ed Bdgt Staff	Staff in Gen'l	Hi Ed Bdgt Staff	Staff in Gen'l	Hi Ed Bdgt Staff
California	x		x						x		x		x	
Colorado					x	x	x	x	x	x				
Connecticut					x	x		x	x					x
Florida														
Hawaii														
Illinois	x	x		x	x	x			x	x	x	x		x
Kansas														
Michigan														
Mississippi														
Nebraska														
New York														
Pennsylvania														
Tennessee	x	x	x	x	x			x	x		x	x		
Texas				x	x			x						
Virginia		x		x	x	x								
Washington	x	x		x	x				x	x	x		x	x
Wisconsin														
Total	4	4	2	5	7	4	1	4	6	3	4	2	2	3

Explanatory Note: "Professional staff" listed includes all employees except those who perform clerical or other duties that do not ordinarily require a bachelor's or advanced degree.

STATE NOTES

California:	The Coordinating Council for Higher Education, superseded by the Postsecondary Education Commission in 1974, did not review higher education budgets in recent years. The PSEC prefers staff with academic teaching backgrounds and a PhD for program review and analysis positions. At least one staff member must have a statistical background.
Colorado:	The Commission on Higher Education will consider any liberal arts discipline.
Illinois:	The Board of Higher Education will consider any discipline in the social sciences.
Tennessee:	The Higher Education Commission will consider any discipline.
Virginia:	The Council of Higher Education will consider any liberal arts discipline.

Table 20: STATE DEPARTMENT OF EDUCATION STAFF PREFERENCES FOR ITS PROFESSIONAL STAFF IN GENERAL AND FOR ITS STAFF WITH RESPONSIBILITY FOR HIGHER EDUCATION OPERATING BUDGETS

	Administration						Technical Fields				Liberal Arts			
	Public Admin		Business Admin		Educational Admin		Accounting		Computer Sciences		Political Science		Economics	
	Staff in Gen'l	Hi Ed Bdgt Staff	Staff in Gen'l	Hi Ed Bdgt Staff	Staff in Gen'l	Hi Ed Bdgt Staff	Staff in Gen'l	Hi Ed Bdgt Staff	Staff in Gen'l	Hi Ed Bdgt Staff	Staff in Gen'l	Hi Ed Bdgt Staff	Staff in Gen'l	Hi Ed Bdgt Staff
California														
Colorado														
Connecticut														
Florida				x	x	x		x		x	x		x	
Hawaii														
Illinois														
Kansas														
Michigan				x	x	x		x		x				
Mississippi														
Nebraska														
New York	x		x		x		x		x		x		x	
Pennsylvania		x			x	x	x	x	x	x				
Tennessee														
Texas														
Virginia														
Washington														
Wisconsin														
Total	1	1	1	2	4	3	2	3	2	3	2	0	2	0

Explanatory Note: "Professional staff" listed includes all employees except those who perform clerical or other duties that do not ordinarily require a bachelor's or advanced degree.

STATE NOTE

New York: The Regents of the University of the State of New York have no staff with Higher Education budget responsibilities.

Table 21: GENERAL POLICY OR TENDENCY OF STATE AGENCIES WITH RESPONSIBILITY FOR HIGHER EDUCATION OPERATING BUDGETS TO RECRUIT PROFESSIONAL STAFF DIRECTLY FROM COLLEGE

	Exec Bdgt Off			Legis Fisc Stf			Cons Gov Bd			Coord Agency			St Dept of Educ		
	Stf in Gen'l	Hi Ed Bdgt Stf	No Pol-icy	Stf in Gen'l	Hi Ed Bdgt Stf	No Pol-icy	Stf in Gen'l	Hi Ed Bdgt Stf	No Pol-icy	Stf in Gen'l	Hi Ed Bdgt Stf	No Pol-icy	Stf in Gen'l	Hi Ed Bdgt Stf	No Pol-icy
California	x					x									
Colorado			x												
Connecticut	x														
Florida	x	x		x	x		x	x							
Hawaii	x	x			x				x						
Illinois	x	x				x						x			
Kansas	x														
Michigan	x			x		x									x
Mississippi						x									
Nebraska						x									
New York	x	x		x	x										x
Pennsylvania	x					x									
Tennessee	x	x								x	x				
Texas	x	x		x	x										
Virginia			x			x						x			
Washington				x	x										
Wisconsin	x	x		x	x										
Total	12	7	2	6	6	7	1	1	1	1	1	2	0	0	2

Explanatory Note: "Professional staff" listed includes all employees except those who perform clerical or other duties that do not ordinarily require a bachelor's or advanced degree.

STATE NOTES

Table 21

Florida:	Recruiting for House Appropriations staff is directly from college through a Legislative Intern Program. Recruiting for Senate Ways and Means staff is generally not from college graduating classes. Recruiting for Board of Regents staff is generally from graduate school.
Hawaii:	Legislative Fiscal Staff tendencies shown are for the House staff. The Senate has no policy.
Kansas:	The Executive Budget Office recruits at MA level only.
New York:	Legislative Fiscal Staff tendencies shown are for the Assembly staff. The Senate has no policy.
Pennsylvania:	There are four Appropriation Committee staffs. The preferences or tendency shown in this table are based on backgrounds of staff employed in September 1974.
Washington:	The House Ways and Means Committee tends to recruit directly from college, but the Senate Ways and Means Committee does not.
Wisconsin:	The Executive Budget Office requires an MA.

Table 22: GENERAL POLICY OR TENDENCY OF STATE AGENCIES WITH RESPONSIBILITY FOR HIGHER EDUCATION OPERATING BUDGETS TO RECRUIT PROFESSIONAL STAFF FROM WITHIN THE STATE

	Exec Bdgt Off			Legis Fisc Stf			Cons Gov Bd			Coord Agency			St Dept of Educ		
	Stf in Gen'l	Hi Ed Bdgt Stf	No Policy	Stf in Gen'l	Hi Ed Bdgt Stf	No Policy	Stf in Gen'l	Hi Ed Bdgt Stf	No Policy	Stf in Gen'l	Hi Ed Bdgt Stf	No Policy	Stf in Gen'l	Hi Ed Bdgt Stf	No Policy
California			x			x									
Colorado	x	x				x									
Connecticut	x	x													
Florida	x	x							x						
Hawaii	x	x		x	x				x						
Illinois						x				x	x				
Kansas							x	x							
Michigan	x	x		x		x									x
Mississippi				x	x		x	x							
Nebraska	x	x		x	x										
New York	x					x									x
Pennsylvania	x	x		x											
Tennessee	x	x													
Texas	x	x		x	x										
Virginia			x	x								x			
Washington				x	x										
Wisconsin				x	x										
Total	10	9	2	9	6	5	2	2	2	1	1	1	0	0	2

Explanatory Note: "Professional staff" listed includes all employees except those who perform clerical or other duties that do not ordinarily require a bachelor's or advanced degree.

STATE NOTES

Table 22

California: The tendencies indicated for the legislative staff are based on the background of incumbents in 1974.

Colorado: The tendencies indicated for all staffs are based on the backgrounds of incumbents in 1974.

Hawaii: Legislative Fiscal Staff tendencies shown are for the House staff. The Senate has no policy.

Michigan: The tendencies indicated for legislative staff are based on the backgrounds of incumbents in 1974.

Mississippi: The tendencies indicated for legislative staff are based on the backgrounds of incumbents in 1974.

Pennsylvania: There are four Appropriation Committee staffs. The tendencies indicated for these staffs are based on the backgrounds of incumbents in 1974.

Table 23: GENERAL POLICY OR TENDENCY OF STATE AGENCIES WITH RESPONSIBILITY FOR HIGHER EDUCATION OPERATING BUDGETS TO RECRUIT PROFESSIONAL STAFF FROM OTHER STATE AGENCIES

	Exec Bdgt Off			Legis Fisc Stf			Cons Gov Bd			Coord Agency			St Dept of Educ		
	Stf in Gen'l	Hi Ed Bdgt Stf	No Pol-icy	Stf in Gen'l	Hi Ed Bdgt Stf	No Pol-icy	Stf in Gen'l	Hi Ed Bdgt Stf	No Pol-icy	Stf in Gen'l	Hi Ed Bdgt Stf	No Pol-icy	Stf in Gen'l	Hi Ed Bdgt Stf	No Pol-icy
California			x	x	x										
Colorado	x	x				x						x			
Connecticut			x			x	x	x							
Florida			x	x	x				x						
Hawaii	x	x		x	x				x						
Illinois						x				x	x				
Kansas									x						
Michigan	x	x				x									x
Mississippi				x	x				x						
Nebraska						x									
New York			x	x	x										
Pennsylvania			x	x											x
Tennessee				x	x										
Texas			x			x									
Virginia			x			x						x			
Washington		x				x									
Wisconsin	x					x	x	x							
Total	4	4	7	7	6	9	2	2	4	1	1	2	0	0	2

Explanatory Note: "Professional staff" listed includes all employees except those who perform clerical or other duties that do not ordinarily require a bachelor's or advanced degree.

STATE NOTES

Table 23

California:	The tendencies indicated for the legislative staff are based on the backgrounds of incumbents in 1974.
Colorado:	The tendencies indicated for all staffs are based on the backgrounds of incumbents in 1974.
Florida:	The Senate Ways and Means Committee staff recruits senior analysts from other state agencies. The House Appropriations Committee has no policy.
Hawaii:	The Legislative Fiscal Staff policy shown is for the House Finance Committee staff. The Senate Ways and Means Committee has no policy.
Michigan:	The tendencies indicated for legislative staff are based on the backgrounds of incumbents in 1974.
Mississippi:	The tendencies indicated for legislative staff are based on the backgrounds of incumbents in 1974.
New York:	The Legislative Fiscal Staff policy shown is for the Senate Finance Committee staff. The Assembly Ways and Means Committee has no policy.
Pennsylvania:	There are four legislative fiscal staffs. The tendencies indicated for these staffs are based on the backgrounds of incumbents in 1974.

Table 24: GENERAL POLICY OR TENDENCY OF STATE AGENCIES WITH RESPONSIBILITY FOR HIGHER EDUCATION OPERATING BUDGETS TO RECRUIT PROFESSIONAL STAFF FROM INSTITUTIONS OF HIGHER EDUCATION

	Exec Bdgt Off			Legis Fisc Stf			Cons Gov Bd			Coord Agency			St Dept of Educ		
	Stf in Gen'l	Hi Ed Bdgt Stf	No Policy	Stf in Gen'l	Hi Ed Bdgt Stf	No Policy	Stf in Gen'l	Hi Ed Bdgt Stf	No Policy	Stf in Gen'l	Hi Ed Bdgt Stf	No Policy	Stf in Gen'l	Hi Ed Bdgt Stf	No Policy
California			x			x									
Colorado						x				x	x				
Connecticut			x			x				x	x				
Florida				x	x		x	x							
Hawaii	x	x		x	x				x						
Illinois						x				x	x				
Kansas							x	x							
Michigan						x									x
Mississippi									x						
Nebraska															
New York			x			x									x
Pennsylvania			x										x	x	
Tennessee			x	x	x					x	x				
Texas			x			x									
Virginia			x			x				x					
Washington		x				x						x			
Wisconsin			x			x	x	x							
Total	1	2	8	3	3	10	3	3	2	5	4	1	1	1	2

Explanatory Note: "Professional staff" listed includes all employees except those who perform clerical or other duties that do not ordinarily require a bachelor's or advanced degree.

STATE NOTES

Table 24

California: The tendencies indicated for the legislative fiscal staff are based on the backgrounds of incumbents in 1974.

Colorado: The tendencies indicated for all staffs are based on the backgrounds of incumbents in 1974.

Florida: The Senate Ways and Means Committee staff recruits senior analysts from institutions. The House Appropriations Committee has no policy.

Hawaii: The legislative fiscal staff policy shown is for the HOuse Finance Committee staff. The Senate Ways and Means Committee has no policy.

Michigan: The tendencies indicated for legislative fiscal staff are based on the backgrounds of incumbents in 1974.

Mississippi: The tendencies indicated for legislative fiscal staff are based on the backgrounds of incumbents in 1974.

Pennsylvania: There are four legislative fiscal staffs. The tendencies indicated for these staffs are based on the backgrounds of incumbents in 1974.

Table 25: GENERAL POLICY OR TENDENCY OF STATE AGENCIES WITH RESPONSIBILITY FOR HIGHER EDUCATION OPERATING BUDGETS TO RECRUIT PROFESSIONAL STAFF FROM BUSINESS OR INDUSTRY

	Exec Bdgt Off			Legis Fisc Stf			Cons Gov Bd			Coord Agency			St Dept of Educ		
	Stf in Gen'l	Hi Ed Bdgt Stf	No Pol-icy	Stf in Gen'l	Hi Ed Bdgt Stf	No Pol-icy	Stf in Gen'l	Hi Ed Bdgt Stf	No Pol-icy	Stf in Gen'l	Hi Ed Bdgt Stf	No Pol-icy	Stf in Gen'l	Hi Ed Bdgt Stf	No Pol-icy
California			x			x									
Colorado				x	x							x			
Connecticut	x	x				x									
Florida						x			x						
Hawaii	x	x		x	x				x						
Illinois	x	x				x				x	x				
Kansas									x						
Michigan			x			x									x
Mississippi									x						
Nebraska			x			x									
New York			x	x	x										x
Pennsylvania			x												
Tennessee			x	x	x										
Texas			x			x									
Virginia			x			x						x			
Washington			x			x						x			
Wisconsin			x			x									
Total	3	3	10	4	4	10	0	0	4	1	1	3	0	0	2

Explanatory Note: "Professional staff" listed includes all employees except those who perform clerical or other duties that do not ordinarily require a bachelor's or advanced degree.

STATE NOTES

Table 25

California: The tendencies indicated for legislative fiscal staff are based on the background of incumbents in 1974.

Colorado: The tendencies indicated for all staffs are based on the backgrounds of incumbents in 1974.

Florida: The Senate Ways and Means Committee indicates no tendency. The House Appropriations Committee has no policy.

Hawaii: Legislative fiscal staff tendencies are for the House Finance Committee staff only. The Senate Ways and Means Committee staff has no policy.

Michigan: The tendencies indicated for legislative fiscal staff are based on the backgrounds of incumbents in 1974.

Mississippi: The tendencies indicated for legislative fiscal staff are based on the backgrounds of incumbents in 1974.

New York: Legislative fiscal staff tendencies are for the Senate Finance Committee staff only.

Pennsylvania: There are four legislative fiscal staffs. The tendencies indicated for these staffs are based on the backgrounds of incumbents in 1974.

Table 26: INSTRUCTIONS FOR PREPARATION OF HIGHER EDUCATION OPERATING BUDGETS: ISSUANCE AND RECEIPT

	Agency Issuing Instructions					Recipient of Instructions		
	Executive Budget Office	Legislative Fiscal Staff	Consol Governing Board	Coord Agency	State Dept of Education	Individual Campus	Multi-campus System	Consol Governing Board
California	x						x	
Colorado	x	x		x		x		
Connecticut	x			x		x	x	
Florida	x		x		x	x		x
Hawaii	x							x
Illinois				x		x	x	
Kansas	x		x			x		
Michigan	x	x				x		
Mississippi		x				x		
Nebraska	x						x	
New York	x						x	
Pennsylvania	x				x	x	x	
Tennessee	x			x			x	
Texas	x	x				x	x	
Virginia	x					x		
Washington	x					x		
Wisconsin	x		x			x		x
Total	15	4	3	4	2	12	8	3

Explanatory Note: A board coordinating a segment of higher education, such as all four-year colleges, is coded as a multi-campus system in this table.

STATE NOTES

Table 26

Colorado:	The Executive Budget Office, the Joint Budget Committee of the Legislature and the Commission on Higher Education jointly issue a single set of instructions.
Connecticut:	Both the Planning and Budgeting Division and the Commission for Higher Education issue instructions that are complementary.
Florida:	The Board of Regents issues guidelines to institutions prior to its receipt of instructions from the Division of Budget and the Department of Education. The Department of Education's instructions supplement those of the Division of Budget.
Kansas:	The instructions issued by the Division of Budget are incorporated into the instructions of the Board of Regents.
Michigan:	Both legislative fiscal committees jointly issue instructions to the institutions for submission of budgets to the legislature. These instructions require the budget to be presented in an organizational format rather than the program format required by the Bureau of the Budget.
Pennsylvania:	A single set of instructions is prepared jointly by the Office of Budget and the Department of Education. In addition, the Office of Budget issues a document entitled "Program Policy Guidelines." Instructions for state colleges differed somewhat from those for the University for FY 1974-75.
Tennessee:	The Higher Education Commission issues instructions based upon guidelines worked out by the Commission and the Department of Finance and Administration. They are not joint instructions.
Texas:	The Legislative Budget Board and the Coordinating Board issue joint instructions, based upon formulas designated by the Coordinating Board.
Virginia:	For the 1976-78 budget the Council of Higher Education will develop instructions for the submission of higher education budgets in cooperation with the Division of the Budget.
Washington:	The Office of Program Planning and Financial Management obtains technical advice on the development of budget instructions from the Council on Higher Education, State Board for Community College Education, and Office of State College and University Business Affairs.
Wisconsin:	The Department of Administration issues instructions to the University of Wisconsin System. The University System central administration issues additional instructions to University of Wisconsin campuses.

Table 27: TARGET FIGURES FOR HIGHER EDUCATION OPERATING BUDGETS: ISSUANCE, FORM, AND SCOPE

	Issuance of Target Figures						Form of Target Figures			Scope of Target Figures			
		Agency Issuing											
	None	Exec Bdgt Off	Leg Fisc Stf	Cons Gov Bd	Coord Agy	St Dept Educ	Dollar Target	Percent Change Target	Other	Indiv Campus	Multi Campus Syst	Cons Gov Bd Camp	All Hi Ed
California	x												
Colorado		x					x						x
Connecticut		x						x					x
Florida		x							x				x
Hawaii				x			x			x			
Illinois		x			x		x	x					x
Kansas				x				x		x			
Michigan	x												
Mississippi	x												
Nebraska	x												
New York	x												
Pennsylvania	x												
Tennessee	x												
Texas	x												
Virginia	x												
Washington	x												
Wisconsin		x											x
Total	10	5	0	2	1	0	3	3	1	2	0	0	5

STATE NOTES

Table 27

Connecticut: The governor requested that higher education budget totals for FY 1974-75 not exceed 105% of the amount appropriated in the previous year. The Commission for Higher Education did not comply with the request on legal grounds.

Florida: The Division of Budget gives the Board of Regents some indication of the state revenue for the next fiscal year. Suggested guidelines for price increases are provided in the budget instructions. These guidelines are based upon Department of Administration projections using U.S. Department of Labor indices.

Illinois: Targets are issued in some years and not in others; the form of target varies.

Michigan: Budget targets were issued by the governor for the FY 1975-76 budget cycle.

Wisconsin: A biennial productivity improvement target of 7.5% was issued by the Department of Administration, and 10% of budgeted programs were to be identified as low priority.

Table 28: OPERATING BUDGET REQUESTS OF CONSOLIDATED GOVERNING BOARDS: IDENTIFICATION OF INDIVIDUAL CAMPUSES

	Aggregated - Individual campus requests are identified		Consolidated - Individual campus requests not clearly identified	
	On statewide basis	By functional cluster	On statewide basis	By functional cluster
California				
Colorado				
Connecticut				
Florida			x	
Hawaii	x			
Illinois				
Kansas	x			
Michigan				
Mississippi		x		
Nebraska				
New York				
Pennsylvania				
Tennessee				
Texas				
Virginia				
Washington				
Wisconsin	x			
Total	3	1	1	0

STATE NOTES

Table 28

Florida: Although the Board of Regents is classified as a "consolidated governing board," technically its staff is a division within the Department of Education. An agreement between the Board of Education and the Board of Regents permits the latter considerable administrative independence.

Kansas: Although the Board of Regents is classified as a "consolidated governing board," in actual practice it permits the institutions as great a degree of autonomy as do some state coordinating agencies.

Table 29: OPERATING BUDGET REQUESTS OF MULTICAMPUS SYSTEMS: IDENTIFICATION OF INDIVIDUAL CAMPUSES

	Aggregated by multicampus system - Individual campus requests are identified		Consolidated by multicampus system - Individual campus requests are not identified	
	Multicampus systemwide	Functional cluster in multicampus system	Multicampus systemwide	Functional cluster in multicampus system
California	x		x	
Colorado	x			
Connecticut	x		x	
Florida				
Hawaii				
Illinois	x			
Kansas				
Michigan	x			
Mississippi				
Nebraska	x			
New York		x		
Pennsylvania	x		x	
Tennessee	x			
Texas	x			
Virginia				
Washington				
Wisconsin				
Total	9	1	3	0

Explanatory Note: This table includes all states that have one or more multiple campus systems, with each system governed by a single board, and including those in which institutions do not share a common name. States with all institutions under a consolidated governing board are not included.

STATE NOTES

Table 29

California: The budget request from the State University and Colleges is aggregated while the request from the University of California is consolidated.

Connecticut: The budget requests from the state colleges are aggregated while the campus requests of the University of Connecticut are consolidated, except for that of the Health Center.

Pennsylvania: Individual campus budgets are identified for the state colleges and university, but budgets for the separate campuses of each of the state-related universities are not identified.

Tennessee: Individual campuses submit their budget requests directly to the Tennessee Higher Education Commission, although all campuses are part of multicampus systems.

Table 30: NUMBER OF MONTHS AVAILABLE TO STATE AGENCIES FOR REVIEW OF HIGHER EDUCATION OPERATING BUDGET REQUESTS IN STATES WITH CONSOLIDATED GOVERNING BOARDS

	To Cons Gov Bd considering campus requests	To Exec Bgt O considering Consol Governing Board request	To Jnt Legis Fisc Comm considering Consol Gov Board request	To Upper House Fisc Comm considering Consol Gov Board request	To Lower House Fisc Comm considering Consol Gov Board request	To State Dept of Educ considering Consol Gov Board request
California						
Colorado						
Connecticut						
Florida	3½	3½		7	7	½
Hawaii	6	2				
Illinois						
Kansas	3	3		3	3	
Michigan						
Mississippi	3		1			
Nebraska						
New York						
Pennsylvania						
Tennessee						
Texas						
Virginia						
Washington						
Wisconsin	4	4	4			

Explanatory Note: "Number of Months Available" is the total time higher education operating budget requests were actually available to various reviewing authorities for preparation of the 1974-75 budget (or 1973-75 budget in states with biennial budgetary cycles).

STATE NOTES

Table 30

Hawaii: Legislative staff do not review the University of Hawaii's consolidated board request.

Wisconsin: Because of biennial budgets and Decision Item Narrative (DIN) procedures, agencies actually review budget policy areas for longer periods of time.

Table 31: NUMBER OF MONTHS AVAILABLE TO STATE AGENCIES FOR REVIEW OF HIGHER EDUCATION OPERATING BUDGETS IN STATES WITH COORDINATION OTHER THAN THROUGH CONSOLIDATED GOVERNING BOARDS

	To Coordinating Agency considering	To State Dept of Education considering		To Executive Budget Office considering		To Joint Legis Fisc Com Staff considering		To Upper House Fisc Com Staff considering		To Lower House Fisc Com Staff considering	
	Campus or multi-campus requests	Campus or multi-campus reqs	Coord agency recs	Campus or multi-campus reqs	Coord agency or DOE recs	Campus or multi-campus reqs	Coord agency or DOE recs	Campus or multi-campus reqs	Coord agency or DOE recs	Campus or multi-campus reqs	Coord agency or DOE recs
California				3		4		4		4	
Colorado	3			3	3	4	2				
Connecticut	2			4			B				
Florida											
Hawaii											
Illinois	3				2			8	4	8	4
Kansas											
Michigan		2		3	1			8	6	8	6
Mississippi											
Nebraska				2½-3½		5-6					
New York				3				4		4	
Pennsylvania		2		4	2			6	6	6	6
Tennessee	1½			4½	1½-3	7	5½	7	5½	7	5½
Texas				2-5		3-6					
Virginia	4			4						3	
Washington				3½				6		6	
Wisconsin											

Explanatory Note: "Number of Months Available" is the total time higher education operating budget requests were actually available to various reviewing authorities for preparation of the 1974-75 budget (or 1973-75 budget in states with biennial budgetary cycles).

STATE NOTES

Table 31

Connecticut: The Division of Budget and Planning normally has about 2-1/2 months for its review. The remaining month and a half is taken up by the governor's review of recommendations and the printing of the document.

Nebraska: Nebraska has "voluntary" coordination of higher education.

New York: Neither the Department of Education nor the Board of Regents makes a recommendation on the SUNY request.

Tennessee: The governor's budget is submitted by January 15 in non-election years and by March 1 in election years.

Texas: First drafts of budget requests are submitted in July and final requests in October.

Virginia: The Council of Higher Education makes no overall recommendations on institutional requests but plans to do so in the future.

Table 32: NUMBER OF MONTHS AVAILABLE TO LEGISLATIVE COMMITTEE STAFFS FOR REVIEW OF GOVERNOR'S BUDGET REQUESTS FOR HIGHER EDUCATION

	To Joint Legis Fiscal Comm staff considering governor's budget	To Upper House Fiscal Comm staff considering governor's budget	To Lower House Fiscal Comm staff considering governor's budget
California		6	6
Colorado	2		
Connecticut	3		
Florida		3	3
Hawaii		2	2
Illinois		1½	1½
Kansas		3-4	3-4
Michigan		4	4
Mississippi			
Nebraska	2½		
New York		2	2
Pennsylvania		6	6
Tennessee	2½-4	2½-4	2½-4
Texas	1-5		
Virginia			3
Washington		3½	3½
Wisconsin	4-5		

Explanatory Note: "Number of months available" is the total time higher education operating budget requests were actually available to various reviewing authorities for preparation of the 1974-75 budget (or 1973-75 budget in states with biennial budgetary cycles).

STATE NOTES

Table 32

California: The Legislative Analyst's office receives higher education budgets six months prior to the beginning of the fiscal year. The Legislative Analyst's recommendations are the basis for legislative committee deliberations.

Kansas: The legislature meets in January and has 60-day sessions in even-numbered years and 90-day sessions in odd-numbered years. Until 1974 the Senate and House Ways and Means Committees were not provided with full-time legislative staff.

Tennessee: The governor's budget is submitted by January 15 in non-election years and March 1 in election years.

Texas: The Legislative Budget Board has one month to review the governor's budget prior to its release. Otherwise, the Legislative Conference Committee does not take action until approximately five months after the governor makes recommendations.

Table 33: STATE AGENCY REVIEW OF HIGHER EDUCATION OPERATING BUDGETS: COMPUTERIZED DATA BASES

	Exec Bdgt Off		Legis Fisc Stf		Cons Gov Board		Coord Agency		State Dept Educ	
	For tabulation	For analysis	For tabulation	For analysis	For tabulation	For analysis	For tabulation	For analysis	For tabulation	For analysis
California	x									
Colorado	x						x			
Connecticut	x		x							
Florida	x	x	x	x	x	x				
Hawaii	x				x	x				
Illinois							x	x		
Kansas										
Michigan			x	x						
Mississippi					x					
Nebraska	x	x	x	x						
New York										
Pennsylvania			x						x	x
Tennessee							x	x		
Texas							x	x		
Virginia	x	x					x	x		
Washington	x	x		x			x	x		
Wisconsin					x	x				
Total	8	4	5	4	4	3	6	5	1	1

Explanatory Note: "Tabulation" is the use of a computerized running account of budgetary data to provide data arrays and totals. "Analysis" is the use of computerized data bases to evaluate budgetary decision alternatives.

STATE NOTES

Table 33

Illinois: Both the legislative and executive budget staffs can use Board of Higher Education data.

Nebraska: The 1202 Commission has an enrollment projection model which will be used by the Legislative Fiscal Office.

Pennsylvania: The State Department of Education uses a computer to aid in the calculation of budgets for the state colleges.

Texas: Data collected by the Coordinating Board are available to the governor's Budget Office and the Legislative Budget Board.

Virginia: The Council of Higher Education is converting its extensive data base to machine-usable form.

Table 34: STATE AGENCIES REVIEW OF HIGHER EDUCATION OPERATING BUDGETS: LOWEST LEVEL AT WHICH DATA ARE ROUTINELY AVAILABLE

	Exec Bdgt Off				Legis Fisc Staff				Cons Gov Board				Coord Agency				State Dept of Education			
	St-wide Agg	Mlti Cmps or Cluster	Cmps	Below Cmps	St-wide Agg	Mlti Cmps or Cluster	Cmps	Below Cmps	St-wide Agg	Mlti Cmps or Cluster	Cmps	Below Cmps	St-wide Agg	Mlti Cmps or Cluster	Cmps	Below Cmps	St-wide Agg	Mlti Cmps or Cluster	Cmps	Below Cmps
California		x	x			x	x													
Colorado				x				x								x				
Connecticut		x	x			x	x							x	x					
Florida	x				x							x								
Hawaii			x				x					x								
Illinois				x				x								x				
Kansas			x				x				x									
Michigan				x				x												x
Mississippi							x					x								
Nebraska				x				x												
New York				x				x												
Pennsylvania		x	x			x	x											x		x
Tennessee			x				x									x				
Texas				x				x								x				
Virginia			x				x									x				
Washington				x				x								x				
Wisconsin				x				x				x								
Total	1	3	7	8	1	3	8	8	0	0	1	4	0	1	1	6	0	1	0	2

STATE NOTES

Table 34

California: Campus data are provided in the budget for the State University and Colleges.

Connecticut: Campus data are available from the state colleges but not from the branch campuses of the University of Connecticut.

Florida: Enrollment data by campus and student level are available to the Division of Budget and legislative fiscal staffs.

Illinois: Documentation from the Resource Allocation and Management Program (RAMP) system (a combined planning and management information system) is available to all.

Pennsylvania: Campus data are available from the "state-owned" colleges and university but not from the branch campuses of the "state-related" universities. Program costs are developed using the 30 NCHEMS discipline categories.

Tennessee: The Higher Education Commission provides data for other state agencies.

Texas: The Coordinating Board provides data for other state agencies.

Washington: The unit cost studies conducted by the Council on Higher Education provide data (below the campus level) to state agencies. Program costs per credit hour are included, for example, in the budget justification of the University of Washington. Also total instructional costs per FTE are provided for all institutions of higher education.

Table 35: STATE AGENCIES REVIEW OF HIGHER EDUCATION OPERATING BUDGETS: LOWEST LEVEL AT WHICH ROUTINELY AVAILABLE DATA ARE REGULARLY USED

	Exec Bdgt Off				Legis Fisc Staff				Cons Gov Board				Coord Agency				State Dept of Education			
	St-wide Agg	Mlti Cmps or Clu-ster	Cmps	Be-low Cmps	St-wide Agg	Mlti Cmps or Clu-ster	Cmps	Be-low Cmps	St-wide Agg	Mlti Cmps or Clu-ster	Cmps	Be-low Cmps	St-wide Agg	Mlti Cmps or Clu-ster	Cmps	Be-low Cmps	St-wide Agg	Mlti Cmps or Clu-ster	Cmps	Be-low Cmps
California		x				x														
Colorado				x				x								x				
Connecticut		x	x			x	x							x	x					
Florida	x				x							x								
Hawaii			x				x					x								
Illinois			x				x								x					
Kansas			x				x				x									
Michigan			x					x											x	
Mississippi							x				x									
Nebraska				x				x												
New York			x				x													
Pennsylvania		x	x			x	x											x	x	
Tennessee			x				x									x				
Texas	x				x											x				
Virginia			x				x								x					
Washington			x				x									x				
Wisconsin		x					x					x								
Total	2	4	10	2	2	3	11	3	0	0	2	3	0	1	3	4	0	1	2	0

STATE NOTES

Table 35

California: Analysts tend to use systemwide data for their analyses even though campus data are presented in the State University and Colleges' request.

Connecticut: State agencies regularly use campus data from [illegible] state colleges but not from the branch campuses of the University of Connecticut.

Pennsylvania: State agencies regularly use campus data from the "state-owned" colleges and university but not from the branch campuses of the "state-related" universities. Although program cost data have recently been made available to the Department of Education, they have not yet begun to fully use it.

Wisconsin: The University of Wisconsin system tries to present and use data on a universitywide and program basis. Data are used at lower levels by all agencies for special studies and Decision Item Narratives, which may encompass only two or three departments or a degree program.

Table 36: STATE AGENCIES REVIEW OF HIGHER EDUCATION OPERATING BUDGET REQUESTS: AVAILABILITY OF CAMPUS OPERATING BUDGET REQUESTS AND INSTITUTIONAL DATA

	Agencies to whom original campus budget requests are available					Difference in availability of institutional data in budget requests	
	Executive Budget Office	Legis Fiscal staff	Coord Agency	State Department of Education	None of these	Minor or no differences by type of institution	Major differences by type of institution
California	x	x	x				x
Colorado	x	x	x			x	
Connecticut	x		x			x	
Florida					x	x	
Hawaii	x	x				x	
Illinois	x	x	x				x
Kansas	x					x	
Michigan	x	x		x		x	
Mississippi		x				x	
Nebraska	x	x					x
New York	x	x				x	
Pennsylvania	x			x			x
Tennessee			x			x	
Texas	x	x	x			x	
Virginia	x	x	x			x	
Washington	x	x	x			x	
Wisconsin	x	x				x	
Total	14	12	8	2	1	13	4

Explanatory Note: Budget requests which have minor or no differences in availability of institutional data by types of institution are those which follow essentially the same philosophy and format.

STATE NOTES

Table 36

Florida: Among state-level agencies only the Board of Regents staff see individual campus requests.

Nebraska: Original state college requests are available to the Budget Division and the Legislative Fiscal Office. University of Nebraska campus requests are aggregated.

Pennsylvania: The State Department of Education is able to obtain comparable data more easily from state colleges than the universities because of its administrative control of the state-owned institutions' record-keeping systems.

Table 37: STATE HIGHER EDUCATION AGENCY REVIEW OF OPERATING BUDGETS: CROSS-STATE COMPARISONS AS MAJOR CRITERIA FOR DETERMINING GENERAL LEVEL OF FUNDING OF HIGHER EDUCATION

	Major Criteria		
	National	Regional	Other
California			
Colorado			
Connecticut	x		
Florida			
Hawaii			
Illinois			
Kansas			
Michigan			
Mississippi		x	
Nebraska			
New York			
Pennsylvania			
Tennessee			
Texas	x		
Virginia			x
Washington	x		
Wisconsin			
Total	3	1	1

Explanatory Note: While all states make some comparisons, this table indicates only those states where such comparisons played a major role in the recommendations of at least one agency in a recent budgetary cycle.

STATE NOTES

Table 37

Texas: Comparisons are performed during the development of formulas.

Virginia: Comparisons are made with selected states that use budgeting approaches similar to Virginia's.

Table 38: BASIS FOR BUDGET REQUEST: USE OF BUDGETARY FORMULAS OR INDICATORS FOR INSTRUCTION AND DEPARTMENTAL RESEARCH

	Budgetary formula	Indicator
California		
Colorado		x
Connecticut		x
Florida	x	
Hawaii		x
Illinois		x
Kansas		x
Michigan		x
Mississippi	x	
Nebraska		x
New York		x
Pennsylvania		x
Tennessee	x	
Texas	x	
Virginia	x	
Washington		x
Wisconsin	x	
Total	6	10

Explanatory Note: The distinction between formula and indicator states applies only to the instruction and departmental research area of the operating budget. The crucial distinction between formulas and indicators lies in their usage. A formula is a set of mathematical relationships between selected parameters, e.g. S/F ratios, SCU/FTEF ratios, unit costs, which is used to generate budget requests. Indicators are parameters, e.g. S/F ratios, SCU/FTEF ratios, unit costs, or criteria used to test the reasonableness and/or feasibility of budget requests, but are not used to generate budget requests in the more mechanical fashion characteristic of formulas. Both formulas and indicators can be applied against either the entire budget or only the increment to the base. Also, both formulas and indicators can be applied against either the entire budget or selected areas of the budget.

STATE NOTES

Table 38

California:	The State University and Colleges use a formula to generate requests for faculty positions but state agencies use this formula only as a source of analytic insight during their reviews. The University of California does not use a formula for the instructional area.
Kansas:	Formulas are used for minor areas of the budget.
Illinois:	Formulas are used for minor areas of the budget.
Pennsylvania:	The Office of Budget does not use a formula as a basis for analyses.
Virginia:	Guidelines are provided to the institutions to use as the basis for their budget requests. They may deviate from these guidelines if explanation and justification are provided. For preparation of the governor's budget, the guidelines are adjusted in terms of available revenues.
Washington:	The model employed to calculate higher education budgets generates amounts that exceed the state's willingness to pay. Therefore, state agencies recommend and appropriate funds based on a percentage of the amount generated by the "ideal" model. Consequently, the model serves as an indicator for state agencies as they fit requests to revenue and policy constraints.
Wisconsin:	Formulas are used to calculate the "instructional" increment and the plant operation/maintenance portion of the budget.

Table 39: BASIS FOR BUDGET REQUEST: FORMULA CALCULATIONS FOR SELECTED FUNCTIONAL AREAS IN HIGHER EDUCATION OPERATING BUDGETS

	Instruction and dept'l research	Activities related to instruction	Libraries	General admin & expenses	Student services	Organized research	Extension & public service	Physical plant oper and maint
California								
Colorado								
Connecticut								
Florida	x	x	x	x	x		x	x
Hawaii								
Illinois								x
Kansas								x
Michigan								
Mississippi	x	x	x	x	x	x	x	x
Nebraska			x					x
New York								
Pennsylvania								
Tennessee	x	x	x	x	x			x
Texas	x		x	x	x	x		x
Virginia	x		x	x	x		x	x
Washington								
Wisconsin	x		x		x			x
Total	6	3	7	5	6	2	3	9

Explanatory Notes: The categories in this table are standardized; many formulas will not fall neatly into these categories, but will overlap several. Where a formula overlaps two or more categories in a particular state, all applicable categories are tallied. Thus, there may be more tallies than formulas in a particular state.

By definition, "indicator states" are not tallied under "Instruction and departmental research."

STATE NOTES

Table 39

California: The State University and Colleges use a formula to generate requests for faculty positions but state agencies use this formula only as a source of analytic insight during their reviews. The Univeristy of California does not use a formula for the instructional area.

Kansas: The formula for determining classified staff costs allows 1/3 or 1/4 of a classified position for each new faculty position. Faculty positions are determined by the faculty salary formula. Incremental operating costs are determined by a formula based on new enrollments.

Michigan: The Department of Education uses formulas in preparing its report on financial needs. The Bureau of the Budget planned to use a formula in FY 1975-76 but fiscal constraints have caused them to abandon the attempt.

Mississippi: A formula calculates the entire education and general budget.

Tennessee: "Continuing education instruction" is funded by formula, but is included in the instruction and departmental research portion of the budget.

Texas: The formulas do not fit these categories. Formulas are used for General administration, building maintenance, and custodial service.

Washington: Budget indicators are used for analyzing faculty staffing and salary requests. Amounts for "supporting costs" are based on FTE faculty staffing derived from the faculty staffing indicator. Indicators are also used for analyzing the library request, plant operations and maintenance, and student services.

Wisconsin: An instructional, library, and student services formula is applied to the SCH increment only; physical plant is covered by a separate formula for new buildings.

Table 40: BASIS FOR BUDGET REQUEST: PERCENTAGE OF TOTAL HIGHER EDUCATION OPERATING BUDGET REQUEST GENERATED BY FORMULA

	90% or more	80-90%	70-80%	50-70%	20-50%	Less than 20%	None
California							x
Colorado							x
Connecticut							x
Florida		x					
Hawaii							x
Illinois						x	
Kansas						x	
Michigan							x
Mississippi	x						
Nebraska					x		
New York							x
Pennsylvania							x
Tennessee		x					
Texas		x					
Virginia			x				
Washington				x			x
Wisconsin						x	
Total	1	3	1	1	1	3	8

Explanatory Note: This table covers all areas of the budget, as shown in Table 39, in which formulas are used to generate higher operating budget requests. This table does not cover usage of "indicators," as this term is defined in the explanatory note to Table 38.

Table 40

STATE NOTES

NONE

Table 41: FACTORS OR FORMULA ELEMENTS USED IN REVIEW OF THE INSTRUCTIONAL PORTION OF HIGHER EDUCATION OPERATING BUDGETS: STUDENT CREDIT UNIT PER FTE FACULTY

	Identification by levels of instruction of student					Program or discipline	Organizational aggregation of data available to state agencies			
	Lower Div Upper Div MA PhD	Lower Div Upper Div Graduate	Undergrad MA PhD	Undergrad Graduate	None		Campus	System	System clusters	State
California					x	x		x		
Colorado	x					x	x			
Connecticut					x		x			
Florida	x					x				x
Hawaii										
Illinois										
Kansas										
Michigan										
Mississippi										
Nebraska	x						x			
New York										
Pennsylvania					x		x			
Tennessee										
Texas										
Virginia										
Washington	x					x	x			
Wisconsin										
Total	4	0	0	0	3	4	5	1	0	1

STATE NOTES

California:	The State University and Colleges use formulas to generate a portion of their budget, but the state agencies which review CSUC budgets do not use them as the basis for their analysis.
Connecticut:	The budget indicator (SCHLDE's) equates all student contact hours to a lower division equivalent; consequently, levels are taken into account but not specifically identified. SCHLDE ratios are calculated for each constituent unit and are applied with some uniformity across institutions.
Nebraska:	Although the staff of the Legislative Fiscal Office is now philosophically opposed to formulas, it appears to have made adjustments in the past on the basis of a formula that specifies lower division, upper division, and graduate level ratios.
Pennsylvania:	Individual campuses are not identified in the universities' budget submissions.
Washington:	The basic faculty staffing ratios apply to all programs except engineering, architecture, fisheries, and forestry, which use a lower ratio.

Table 42: FACTORS OR FORMULA ELEMENTS USED IN REVIEW OF THE INSTRUCTIONAL PORTION OF HIGHER EDUCATION OPERATING BUDGETS: STUDENT-FACULTY RATIOS

	Identification by levels of instruction of student					Program or disci-pline	Organizational aggregation of data available to state agencies			
	Lower Div Upper Div MA PhD	Lower Div Upper Div Graduate	Undergrad MA PhD	Undergrad Graduate	None		Campus	System	System clusters	State
California										
Colorado					X	X	X			
Connecticut										
Florida										
Hawaii										
Illinois	X						X			
Kansas					X		X			
Michigan										
Mississippi		X								X
Nebraska										
New York	X								X	
Pennsylvania										
Tennessee										
Texas			X			X				X
Virginia	X									X
Washington										
Wisconsin										
Total	3	1	1	0	2	2	3	0	1	3

STATE NOTES

Table 42

Illinois: The Board of Higher Education uses a weighted student-faculty ratio.

Kansas: The student-faculty ratio is 15:1 at universities and 20:1 at state colleges.

Mississippi: For the 1975-76 budget request the student-faculty ratio based formula will be replaced by a unit-cost formula in which 1973-74 student credit hour costs by lower, upper, and graduate levels and field of study for each of three clusters of institutions will be used to generate the instructional portion of the operating budget.

Table 43: FACTORS OR FORMULA ELEMENTS USED IN REVIEW OF THE INSTRUCTIONAL PORTION OF HIGHER EDUCATION OPERATING BUDGETS: UNIT COSTS

	Costs per student credit unit	Costs per FTE student	Costs by program or discipline	Lowest organizational aggregation of data available to state agencies			
				Campus	System	System clusters	State
California							
Colorado		x		x			
Connecticut							
Florida	x		x				x
Hawaii	x		x	x			
Illinois	x	x	x	x			
Kansas							
Michigan		x		x			
Mississippi							
Nebraska							
New York							
Pennsylvania			x	x			
Tennessee	x		x				x
Texas	x		x				x
Virginia							
Washington		x	x	x			
Wisconsin	x	x	x	x			
Total	6	5	8	7	0	0	3

Table 43

STATE NOTES

Colorado: Unit costs are used in determining the level of tuition for each campus.

Florida: Unit costs are used only for generating community college budgets.

Illinois: Unit costs are by weighted full-time equivalent student (FTES).

Michigan: The legislative fiscal staff use unit costs to adjust base budgets for enrollment changes

Pennsylvania: Unit cost data are collected from the state-owned institutions.

Tennessee: Program costs are identified at seven levels of instruction. Organization aggregation of data is "state" in the sense that formula rates are based on a weighted statewide average.

Texas: Unit cost data from out-of-state are used in the development of formulas.

Washington: Unit cost studies, conducted by the Council on Higher Education, have not been formally incorporated into a statewide formula or indicator, but are available for state agencies to use in their budget analyses.

Wisconsin: The formula applies to the budget increment only by level of student (four levels).

Table 44: STATE AGENCY REVIEW OF HIGHER EDUCATION OPERATING BUDGETS: ANALYSES OF INSTRUCTIONAL COSTS

	Exec Bdgt Off		Legis Fisc Stf		Cons Gov Bd		Coord Agency		State Dept of Education	
	Single state data	Cross state data	Single state data	Cross state data	Single state data	Cross state data	Single state data	Cross state data	Single state data	Cross state data
California							x			
Colorado										
Connecticut										
Florida									x	
Hawaii					x					
Illinois		x					x			
Kansas										
Michigan			x							
Mississippi										
Nebraska	x			x						
New York	x									
Pennsylvania	x								x	
Tennessee							x			
Texas								x		
Virginia							x			
Washington							x			
Wisconsin	x		x		x					
Total	4	1	2	1	2	0	5	1	2	0

Explanatory Note: A distinction is made between (a) the utilization of in-state cost data only, and (b) in-state cost data plus cost data obtained from other states.

STATE NOTES

Table 44

Florida: The State Department of Education conducts annual studies of community college costs.

Illinois: The Bureau of the Budget depends upon the Board of Higher Education for an in-state analysis of costs.

Kansas: Student and program costs were analyzed in a legislative audit study in 1971.

Michigan: The Michigan Council of State College Presidents has conducted unit cost studies regularly since 1962-63. These studies are made available to executive and legislative budget review agencies.

Nebraska: The Department of Administrative Services is now working on a system to collect instructional costs, but the system is not yet operating.

Pennsylvania: The State Department of Education collects unit cost data on the state colleges and is beginning to use the data for budget analysis. The state-related universities include average cost data in their submissions.

Texas: Instructional costs are analyzed for use in establishing formulas, but this process does not involve developing unit costs.

Table 45: REVIEW OF HIGHER EDUCATION BUDGET BASES: EXECUTIVE BUDGET OFFICE STRATEGIES OR PROCEDURES

	Special issue analyses	Formula to calculate base	General cut of the base (e.g. "productivity cut")	Forced reallocation	Requires program priority statement	Faculty workload adjustment
California	x				x	x
Colorado						x
Connecticut						x
Florida	x	x				x
Hawaii					x	x
Illinois	x					x
Kansas	x	x				
Michigan					x	x
Mississippi						
Nebraska	x		x			
New York	x					x
Pennsylvania	x		x			
Tennessee	x	x				
Texas		x				
Virginia	x	x				
Washington	x	x	x	x		
Wisconsin	x		x		x	
Total	11	6	4	1	4	8

Explanatory Notes: Agencies with budget review authority employ various techniques to examine and/or reduce the costs of continuing activities in institutions of higher education--their base budget. This table categorizes several of these approaches.

A "special issue analysis" is something more than a summarization of a few telephone calls in response to a casual inquiry, but need not have the formality of a report intended for distribution beyond the agency itself.

STATE NOTES

Table 45

Connecticut:	Faculty work load is adjusted by altering the ratio between "student contact hours-lower division equivalents" (SCHLDE) and FTE faculty positions.
Florida:	The Division of Budget may recommend adjustments in formula productivity levels.
Illinois:	The Bureau of the Budget is striving to implement a budget formula process.
Kansas:	The Division of Budget examines selected issues as a way to reduce the base.
Nebraska:	The Budget Division is negotiating a budget base cut for FY 1975-76.
Pennsylvania:	The Office of Budget makes selected budget base cuts on a percentage basis and as a result of issue analyses, although total amounts recommended are greater than for the previous year.
Washington:	The Office of Program Planning and Fiscal Management tests budget estimates against revenues and then adjusts the percent of formula to be funded downward to arrive at a recommendation. The 1973-75 budget for the University of Washington required some reallocation of the University's funds. The community colleges were also required to reallocate funds.

Table 46: REVIEW OF HIGHER EDUCATION BUDGET BASES: LEGISLATIVE FISCAL STAFF STRATEGIES OR PROCEDURES

	Special issue analyses	Formula to calculate base	General cut of the base (e.g. "productivity cut")	Forced reallocation	Requires program priority statement	Faculty workload adjustment
California	x			x		x
Colorado	x					x
Connecticut	x					x
Florida	x	x				x
Hawaii	x				x	
Illinois	x					
Kansas						
Michigan	x	x		x	x	x
Mississippi		x				
Nebraska	x			x	x	
New York	x					
Pennsylvania	x		x			
Tennessee	x	x				
Texas	x	x				
Virginia	x					
Washington	x					x
Wisconsin	x					
Total	15	5	1	3	3	6

Explanatory Notes: Agencies with budget review authority employ various techniques to examine and/or reduce the costs of continuing activities in institutions of higher education; this table categorizes several of these approaches.

A "special issue analysis" is something more than a summarization of a few telephone calls in response to a casual inquiry, but need not have the formality of a report intended for distribution beyond the agency itself.

STATE NOTES

Table 46

Connecticut: Faculty work load is adjusted by altering the ratio between "student contact hours-lower division equivalent" (SCHLDE) and FTE faculty positions.

Florida: Formula student credit hour productivity factors are adjusted to reduce the base.

Kansas: The legislature had no fiscal staff prior to July 1974. The staff of the Division of Budget assisted the legislature in its review of budgets.

Michigan: State agencies cannot control the allocation of institutional appropriations once they are enacted but can force reallocations through appropriations in subsequent years, if institutions depart too far from legislative intent.

Mississippi: Average faculty salary is adjusted as a formula parameter.

Pennsylvania: The appropriation committees tend to make budget changes on a percentage basis.

Table 47: REVIEW OF HIGHER EDUCATION BUDGET BASES: CONSOLIDATED GOVERNING BOARD STRATEGIES OR PROCEDURES

	Special issue analyses	Formula to calculate base	General cut of the base (e.g. "productivity cut")	Forced reallocation	Requires program priority statement	Faculty workload adjustment
California						
Colorado						
Connecticut						
Florida	x	x				x
Hawaii	x					x
Illinois						
Kansas	x	x				
Michigan						
Mississippi		x				
Nebraska						
New York						
Pennsylvania						
Tennessee						
Texas						
Virginia						
Washington						
Wisconsin	x	x			x	x
Total	4	4	0	0	1	3

Explanatory Notes: Agencies with budget review authority employ various techniques to examine and/or reduce the costs of continuing activities in institutions of higher education; this table categorizes several of these approaches.

A "special issue analysis" is something more than a summarization of a few telephone calls in response to a casual inquiry, but need not have the formality of a report intended for distribution beyond the agency itself.

STATE NOTES

Table 47

Florida: The Board of Regents staff also has employed a general cut of the base, forced reallocations, and program priority statements for the 1975-76 budget.

Wisconsin: Internal formulas are used for reallocation by the University of Wisconsin System.

Table 48: REVIEW OF HIGHER EDUCATION BUDGET BASES: COORDINATING AGENCY STRATEGIES OR PROCEDURES

	Special issue analyses	Formula to calculate base	General cut of the base (e.g. "productivity cut")	Forced reallocation	Requires program priority statement	Faculty workload adjustment
California						
Colorado	x					x
Connecticut	x					x
Florida						
Hawaii						
Illinois	x		x	x	x	
Kansas						
Michigan						
Mississippi						
Nebraska						
New York						
Pennsylvania						
Tennessee	x	x				
Texas	x	x				x
Virginia	x	x				
Washington	x	x				
Wisconsin						
Total	7	4	1	1	1	3

Explanatory Notes: Agencies with budget review authority employ various techniques to examine and/or reduce the costs of continuing activities in institutions of higher education; this table categorizes several of these approaches.

A "special issue analysis" is something more than a summarization of a few telephone calls in response to a casual inquiry, but need not have the formality of a report intended for distribution beyond the agency itself.

STATE NOTES

Table 48

California: The Coordinating Council for Higher Education has not reviewed higher education budgets since 1967. The newly established Postsecondary Education Commission expects to perform a general review of operating budgets.

Connecticut: Faculty work load is adjusted by altering the ratio between "student contact hours-lower division equivalents" (SCHLDE) and FTE faculty positions.

Texas: The Coordinating Board does not conduct a formal review of budget requests. The procedures listed above are used during updating of budgetary formulas.

Washington: The Council on Higher Education does not conduct comprehensive reviews of budgets, but does analyze selected special areas in depth.

Table 49: REVIEW OF HIGHER EDUCATION BUDGET BASES: STATE DEPARTMENT OF EDUCATION STRATEGIES OR PROCEDURES

	Special issue analyses	Formula to calculate base	General cut of the base (e.g. "productivity cut")	Forced reallocation	Requires program priority statement	Faculty workload adjustment
California						
Colorado						
Connecticut						
Florida		x				
Hawaii						
Illinois						
Kansas						
Michigan		x				
Mississippi						
Nebraska						
New York						
Pennsylvania	x					
Tennessee						
Texas						
Virginia						
Washington						
Wisconsin						
Total	1	2	0	0	0	0

Explanatory Notes: Agencies with budget review authority employ various techniques to examine and/or reduce the costs of continuing activities in institutions of higher education; this table categorizes several of these approaches.

A "special issue analysis" is something more than a summarization of a few telephone calls in response to a casual inquiry, but need not have the formality of a report intended for distribution beyond the agency itself.

STATE NOTES

Florida: The Department of Education performs a technical review of the Board of Regents' budget submission.

New York: The State Department of Education does not review budget requests.

Table 50: STATE AGENCY REVIEW OF HIGHER EDUCATION OPERATING BUDGETS: SPECIAL ISSUE STUDIES

	Exec Bdgt Off	Legis Fisc Stf	Cons Gov Board	Coord Agency	State Dept Educ
California	x	x		x	
Colorado		x		x	
Connecticut		x		x	
Florida	x	x	x		
Hawaii			x		
Illinois	x			x	
Kansas			x		
Michigan		x			x
Mississippi		x			
Nebraska	x	x			
New York	x	x			
Pennsylvania	x	x			
Tennessee		x		x	
Texas	x	x		x	
Virginia	x	x		x	
Washington	x	x		x	
Wisconsin	x	x	x		
Total	10	14	4	8	1

Explanatory Note: A "special issue study" is an examination of a particular issue in higher education that results in a formal report or document, usually intended for distribution beyond the reporting agency.

STATE NOTES

Table 50

Washington: The Office of State College and University Business Affairs, representing the presidents of all four-year institutions and the State Board for Community College Education, plays an influential role in examining special issues and providing data needed by state agencies for budget review.

Wisconsin: The Bureau of the Budget, the Bureau of Management Services, and the Legislative Fiscal Bureau have access to University of Wisconsin System analytical studies.

Table 51: DETERMINATION OF LEVEL OF FACULTY SALARY SUPPORT BY STATE AGENCIES: EMPHASIS IN ANALYSIS AND NATURE OF INCREMENTS

	Collective bargaining		Policy for setting faculty salaries		Nature of incremental faculty salary increases			
	Yes	No	Unique policy for higher education faculty	Same policy for all state employees	Cost of living increment	National or regional competitive increment	In-state parity increment	Merit increment
California		x	x		x			x
Colorado		x	x				x	x
Connecticut		x	x					x
Florida		x	x		x			
Hawaii	x		x		x			x
Illinois		x	x		x			x
Kansas		x	x		x	x		x
Michigan	x			x	x	x	x	
Mississippi		x	x			x		
Nebraska		x	x		x			x
New York	x		x			x		x
Pennsylvania	x			x	x			x
Tennessee		x	x		x		x	x
Texas		x	x		x	x		
Virginia		x	x			x		
Washington		x	x		x	x		x
Wisconsin		x	x		x			x
Total	4	13	15	2	12	7	3	12

STATE NOTES

Table 51

California:	The State University and Colleges have pressed in recent years for salary parity with the University of California.
Florida:	Comparative data are of diminished utility because Florida now calculates salaries on a man-year basis. Part of the cost-of-living increment is awarded differentially as a merit increase. 1974-75 was the only year that the legislature provided a cost-of-living adjustment. This practice will probably not be continued. As a rule, all salaries--career service, administrative and professional, and faculty--are based upon competitive rates.
Hawaii:	Collective bargaining has been mandated for all state agencies. The process of selecting bargaining agents is underway as of August 1974.
Michigan:	Approximately 25% of the institutions have collective bargaining. The governor's recommendations specify a common percentage increase for all public employees, including faculty of the higher education institutions. Because compensation increases are computed on a net state funding base, higher education employees may receive a lower percentage increase.
Nebraska:	There are no statewide schedules for faculty salaries. Salaries vary by institution and department. The institutions make comparative analyses of faculty salary levels.
Pennsylvania:	State college faculty have a collective bargaining agreement with the state.
Tennessee:	The most significant salary equity dispute is between the higher education and elementary/secondary sectors.
Texas:	The nature of incremental salary increases is not identified in the budget document but is implicit in the establishment of formula rates.
Virginia:	Faculty salary "standards" are determined periodically. However, the standards have never been fully funded.
Wisconsin:	Parity between the former University of Wisconsin and Wisconsin State University campuses remains a significant issue after the merger of the two systems. All faculty received the same cost-of-living adjustments, which only partially offset regional consumer price index increases.

Table 52: DETERMINATION OF LEVEL OF FACULTY SALARY SUPPORT: USE OF IN-STATE AND ACROSS-STATE COMPARATIVE DATA BY STATE AGENCIES

	Executive Budget Office		Legislative Fiscal staff		Consolidated Governing Board staff		Coordinating Agency staff		State Department of Education	
	In-state	Across-state	In-state	Across-state	In-state	Across-state	In-state	Across-state	In-state	Across-state
California		x		x				x		
Colorado			x	x				x		
Connecticut		x		x				x		
Florida						x				
Hawaii										
Illinois								x		
Kansas						x				
Michigan			x	x						
Mississippi						x				
Nebraska		x		x						
New York										
Pennsylvania										x
Tennessee								x		
Texas		x		x				x		
Virginia		x		x				x		
Washington		x		x				x		
Wisconsin		x		x		x				
Total	0	7	2	9	0	4	0	8	0	1

Explanatory Note: A distinction is made between (a) the utilization of in-state faculty salary data only, and (b) in-state faculty salary data plus faculty salary data obtained from other states.

STATE NOTES

Table 52

Florida: The Division of Budget and legislative fiscal committees focus on both total salaries and on increments to previous year's totals based upon national and regional competitive salary averages.

Hawaii: Salaries are established by collective bargaining.

Illinois: The focus in the Bureau of the Budget and legislative fiscal committees is on total salaries and on increments to previous year's totals.

Nebraska: The institutions make in-state and across-state comparisons.

Pennsylvania: The State Department of Education occasionally looks at across-state data but it is not an important part of the review process.

Virginia: Institutions have established a peer group selection procedure for guidance in establishing faculty salaries which is accepted by the Budget Office and the State Division of Personnel.

Table 53: STATEWIDE HIGHER EDUCATION MASTER PLANS (OR MAJOR PHASES OF PLANS) IN 1974: STATUS AND YEAR OF ADOPTION

	Status of statewide master plans				Year of adoption of current statewide master plans or major phases of plans						
	States with master plans		States w/out master plans								
	Being revised	Not being revised	Being proposed	Not being proposed	1974	1973	1972	1971	1966 thru 1970	1961 thru 1965	1960 or before
California	x										x
Colorado	x							x			
Connecticut		x			x						
Florida		x							x		
Hawaii	x					x					
Illinois	x							x			
Kansas		x					x				
Michigan	x								x		
Mississippi				x							
Nebraska				x							
New York	x						x				
Pennsylvania	x							x			
Tennessee	x						x				
Texas	x								x		
Virginia	x				x						
Washington			x								
Wisconsin			x								
Total	10	3	2	2	2	1	3	3	3	0	1

STATE NOTES

Table 53

California: The new Postsecondary Education Commission has statutory responsibility for statewide planning.

Hawaii: The budget process includes the preparation of a six-year plan in each biennium.

Kansas: In December 1972 the Council of Presidents published "Guidelines for Increasing Academic Efficiency at the State Colleges and Universities" that are similar, in most respects, to a state plan. The Guidelines' major focus is program review and elimination of unneeded programs at institutions.

Pennsylvania: Regional planning areas are being established and a series of updates and elaborations of the master plan are under way.

Tennessee: The master plan was published in January 1973.

Wisconsin: The 1969 study by the now-superseded Coordinating Committee for Higher Education is no longer considered to be the state's working plan. The University of Wisconsin System is currently developing a new plan; institutional mission definition (or redefinition) has been accomplished.

Table 54: STATEWIDE MASTER PLANS FOR HIGHER EDUCATION: TIME FRAME, TYPE, AND RESPONSIBILITY FOR PREPARATION

	Time frame of master plans			Frequency of revisions				Type of plan			Agency that prepares plan		
	5 yrs or less	Over 5 yrs Less than 10 yrs	Non-specific	Annual	Biennial	More than 2 years	No requirement	Comprehensive structural/ functional	Phased process	Comprehensive budgetary	State higher education agency	Executive branch	Legislature
California			x				x	x					x
Colorado		x					x	x			x		
Connecticut	x				x				x		x		
Florida		x					x	x			x		
Hawaii		x			x					x	x		
Illinois			x				x		x		x		
Kansas			x				x	x			x		
Michigan	x						x	x			x		
Mississippi													
Nebraska													
New York		x				x		x			x		
Pennsylvania	x						x	x			x		
Tennessee			x				x	x			x		
Texas		x					x	x			x		
Virginia		x			x			x			x		
Washington											x		
Wisconsin	x				x					x	x		
Total	4	6	4	0	4	1	9	10	2	2	14	0	1

Explanatory Notes: A comprehensive structural and/or functional plan places primary emphasis on the assignment of roles or missions, to organizational units. Typically such plans encompass the entire higher education sector.

A phased process plan emphasizes the planning process itself as an ongoing vehicle for program and policy review. Typically, such plans proceed in phases and focus on selected issues or areas rather than on a comprehensive statewide view of higher education.

A comprehensive budgetary plan emphasizes the relationship between academic programs and institutions on the one hand and costs and fiscal factors on the other. Typically such plans are closely linked to the budgetary process and project future program needs and related costs.

STATE NOTES

Table 54

California: The California Council on Higher Education formulated a master plan for higher education in 1960 that was formally incorporated into state policy by legislation. In 1972 both a joint committee of the legislature and the Coordinating Council for Higher Education made comprehensive studies of higher education. Significant portions of the recommendations of the joint legislative Committee have been enacted into law. The legislature, thus, has recently been the most active agency in state master planning.

The newly established Postsecondary Education Commission is required to develop five-year plans and to update them annually. The current master plan has no specific time frame or requirement for revision.

Florida: The annual six-year comprehensive budgetary planning effort has been abandoned as of the FY 1975-76 budget cycle. The Comprehensive Development Plan for state higher education has a time frame of 1969-1980.

Kansas: The higher education plan was prepared by the Council of Chief Academic Officers with the assistance of the Board of Regents' staff for the Council of Presidents approval.

Pennsylvania: The 1971 master plan focused on a structure and issues. Currently the entire master plan is not being updated; instead a phased planning effort is underway.

Wisconsin: The University of Wisconsin System is now working on a rolling 10-year plan that has two five-year components.

Table 55: STATEWIDE MASTER PLANS FOR HIGHER EDUCATION: SELECTED PROVISIONS

	Enrollment projections	Campus enrollment ceilings	Role and scope statements	Manpower projections	Location/ approval of new programs	Location/ approval of new campuses/ schools	Fiscal projections	Location/ phaseout of programs/ campuses
California			x					x
Colorado	x	x	x			x	x	
Connecticut	x				x	x		
Florida	x		x		x	x	x	
Hawaii	x						x	
Illinois	x		x	x	x	x	x	
Kansas			x		x			x
Michigan	x			x			x	
Mississippi								
Nebraska								
New York	x			x			x	
Pennsylvania			x		x	x		
Tennessee	x		x	x	x	x	x	
Texas	x		x	x	x	x	x	
Virginia	x		x		x			
Washington								
Wisconsin								
Total	10	1	9	5	8	7	8	2

STATE NOTES

Table 55

Michigan: The coordination and planning role of the Department of Education is ambiguous. Hence their plan is not highly specific with respect to institutions. The plan deals with rather broad state trends.

Tennessee: The plan includes manpower projections for selected areas.

Table 56: STATE HIGHER EDUCATION AGENCY STAFF HEARINGS ON INSTITUTIONAL BUDGET REQUESTS

	Type of coordination				Staff budget hearings			Focus of hearings		Attendance at hearings			
	Cons Gov Board	Coord Board	State Dept of Educ	Voluntary	Yes	No	Public	Campus budget req	Multi-campus budget req	Exec budget office	Legis fiscal staff	Campus adm	Multi-campus adm
California		x				x							
Colorado		x			x		x	x	x	x		x	x
Connecticut		x			x			x	x			x	x
Florida	x				x		x	x				x	
Hawaii	x					x							
Illinois		x			x			x	x			x	x
Kansas	x					x							
Michigan			x			x							
Mississippi	x					x							
Nebraska				x									
New York			x			x							
Pennsylvania			x			x							
Tennessee		x			x		x	x		x	x	x	x
Texas		x				x							
Virginia		x				x							
Washington		x				x							
Wisconsin	x				x			x				x	
Total	5	8	3	1	6	10	3	6	3	2	1	6	4

Explanatory Note: The column "attendance at hearings" does not include staff of consolidated governing boards since these boards are considered state higher education agencies.

STATE NOTES

Table 56

Colorado: Staff hearings are held jointly by the Commission on Higher Education and the Executive Budget Office.

Florida: Board of Regents' staff hearings focus on individual campus and system requests. Legislators, their staff and executive budget office staff are invited to attend the hearings, but attendance is irregular.

Illinois: Staff hearings consist of negotiations held over a period of several months.

Tennessee: All hearings are public. The Higher Education Commission encourages legislators, their staff, and executive budget office staff to attend its hearings but their actual attendance is somewhat irregular.

Wisconsin: Staff hearings are held on campus requests.

Table 57: STATE HIGHER EDUCATION AGENCY BOARD HEARINGS ON INSTITUTIONAL BUDGET REQUESTS

	Type of coordination				Board budget hearings			Focus of hearings		Attendance at hearings				Recipients of budget recommendations	
	Cons Gov Board	Coord Board	State Dept of Educ	Voluntary	Yes	No	Public	Campus budget req	Multi campus budget req	Exec budget office	Legis fiscal staff	Campus adm	Multi-campus adm	Gov	Legis
California		x				x									
Colorado		x			x		x	x	x			x	x	x	x
Connecticut		x			x			x	x			x	x	x	x
Florida	x				x		x		x			x	x	x	x
Hawaii	x				x				x				x	x	
Illinois		x			x		x	x	x	x	x	x	x	x	x
Kansas	x				x		x	x				x		x	
Michigan			x			x									
Mississippi	x				x			x				x		x	x
Nebraska				x											
New York			x			x									
Pennsylvania			x		x			x	x			x		x	
Tennessee		x			x		x	x		x	x	x	x	x	x
Texas		x				x									
Virginia		x				x									
Washington		x				x									
Wisconsin	x				x		x		x	x	x	x	x	x	x
Total	5	8	3	1	10	6	6	7	7	3	3	9	7	10	7

STATE NOTES

Table 57

Florida: Board of Regents' hearings are with the BOR staff.

Illinois: The Board of Higher Education hearings are held as regular board meetings during which the staff presents its recommendations.

Mississippi: Budget recommendations of the Board of Trustees are made to a joint executive/legislative budget commission.

Nebraska: There is no state higher education agency with coordinating responsibilities in Nebraska.

Pennsylvania: The state-owned institutions are represented in hearings by Department of Education staff. The state-related institutions are represented by the university administrators. Recommendations of the Department of Education are transmitted to the Office of Budget in the form of a memorandum.

Texas: The Coordinating Board has no formal budget review role following its designation of formulas.

Wisconsin: The Regents hold hearings on the University of Wisconsin System request.

Table 58: STATE HIGHER EDUCATION AGENCY RECOMMENDATIONS ON HIGHER EDUCATION OPERATING BUDGET REQUESTS: IDENTIFICATION OF SEPARATELY GOVERNED CAMPUSES

	Type of state higher education agency		Aggregated - Recommendations shown for individual campuses		Consolidated - Recommendations not shown for individual campuses	
	Coordinating agency	State Dept of Education	Statewide aggregated	Functional cluster	Statewide consolidated	Functional cluster
California						
Colorado	x		x			
Connecticut						
Florida						
Hawaii						
Illinois						
Kansas						
Michigan		x	x			
Mississippi						
Nebraska						
New York						
Pennsylvania		x		x		
Tennessee						
Texas	x					
Virginia						
Washington						
Wisconsin						
Total	2	2	2	1	0	0

STATE NOTES

Table 58

Pennsylvania: The Department of Education forwards a consolidated budget recommendation to the Office of the Budget for state-owned institutions, but original campus requests are also included. Consolidated budget recommendations are forwarded for each of the three state-related universities that have branch campuses. The fourth state-related university (Lincoln) does not have branch campuses and is separately identified.

Texas: The Coordinating Board makes no formal budgetary recommendations.

Virginia: The Council of Higher Education has not made comprehensive budget recommendations in the past.

Table 59: STATE HIGHER EDUCATION AGENCY RECOMMENDATIONS ON HIGHER EDUCATION OPERATING BUDGET REQUESTS: IDENTIFICATION OF CAMPUSES UNDER CONSOLIDATED GOVERNING BOARDS

	Aggregated - Recommendations shown for individual campuses		Consolidated - Recommendations not shown for individual campuses	
	Statewide aggregated	Functional cluster	Statewide consolidated	Functional cluster
California				
Colorado				
Connecticut				
Florida			x	
Hawaii	x			
Illinois				
Kansas	x			
Michigan				
Mississippi		x		
Nebraska				
New York				
Pennsylvania				
Tennessee				
Texas				
Virginia				
Washington				
Wisconsin	x	x		
Total	3	2	1	0

STATE NOTES

Table 59

NONE

Table 60: STATE HIGHER EDUCATION AGENCY RECOMMENDATIONS ON HIGHER EDUCATION OPERATING BUDGET REQUESTS: IDENTIFICATION OF INDIVIDUAL CAMPUSES OF MULTICAMPUS SYSTEMS

	Type of state higher educ agency		Aggregated - Recommendations shown for individual campuses			Consolidated - Recommendations not shown for individual campuses		
	Coord agency	State Dept Educ	Statewide aggregated	Multicampus aggregated	Functional cluster	Statewide consolidated	Multicampus consolidated	Functional cluster
California								
Colorado	x			x				
Connecticut	x						x	
Florida								
Hawaii								
Illinois	x			x				
Kansas								
Michigan		x		x				
Mississippi								
Nebraska								
New York								
Pennsylvania		x					x	
Tennessee	x			x				
Texas								
Virginia								
Washington								
Wisconsin								
Total	4	2	0	4	0	0	2	0

STATE NOTES

Table 60

California: The Coordinating Council for Higher Education did not make formal budgetary recommendations. The new Postsecondary Education Commission is expected to do so.

Colorado: The University of Colorado has two branch campuses which are separately identified in the University's request.

Connecticut: The University of Connecticut recommendation is consolidated except for the Health Center; the state college recommendations are aggregated.

Michigan: Branch campuses of the University of Michigan are aggregated in the recommendations of the Department of Education.

Nebraska: There is no state higher education agency that makes budgetary recommendations.

New York: The Department of Education does not make budget recommendations.

Pennsylvania: The multicampus systems include three of the four state-related universities.

Texas: The Coordinating Board makes no formal budgetary recommendations.

Table 61: EXECUTIVE BUDGET OFFICE HEARINGS ON HIGHER EDUCATION OPERATING BUDGETS: NATURE, SUBJECT MATTER, AND RESULTS

	Hearings held		Subject matter of hearings					Regular attendance at hearings					
	Yes	Public	Cons gov bd req	Coord agency req/ recs	Dept Educ recs	Multi-campus req	Campus req	Legis fisc staff	Cons gov bd staff	Coord agency staff	State Dept Educ	Multi-campus admin	Campus admin
California	x					x				x		x	
Colorado	x	x				x	x			x		x	x
Connecticut													
Florida	x	x	x					x	x		x		
Hawaii	x		x						x				
Illinois													
Kansas	x		x						x				x
Michigan	x						x						x
Mississippi													
Nebraska	x					x	x					x	x
New York	x					x		x				x	
Pennsylvania	x					x					x		x
Tennessee	x	x		x				x		x		x	x
Texas	x					x	x	x		x		x	x
Virginia	x	x					x	x		x			x
Washington	x						x			x			x
Wisconsin	x	x	x					x	x				x
Total	14	5	4	1	0	6	6	6	4	6	2	6	10

STATE NOTES

Table 61

Colorado: Joint hearings are held by the staffs of the Executive Budget Office and the Commission on Higher Education.

Michigan: The governor or the director of Management and Budget holds hearings with groups of three to five presidents for all institutions, except the University of Michigan, Michigan State, and Wayne State, which have individual hearings.

Nebraska: Hearings consist of private negotiations.

New York: The Division of the Budget staff hold public hearings at campuses on campus budget requests. The hearings indicated above refer to those of the Budget Director on the SUNY multicampus request.

Pennsylvania: Hearings are held for the state-related universities (Penn State, Temple, Pittsburg, and Lincoln), but not for the state-owned institutions (13 state colleges and Indiana University of Pennsylvania).

Texas: Hearings are held jointly by staff of the governor's Budget Office and the Legislative Budget Bureau.

Virginia: Hearings are conducted by the governor and his Budget Advisory Board. Council of Higher Education staff attendance at Division of the Budget hearings is to begin in 1975.

Washington: "Hearings" take the form of informal discussions with the governor.

Wisconsin: Public hearings were held in 1973 (for 1973-75); for the 1975-77 budget the public hearings were replaced by informal discussions with the governor.

Table 62: GOVERNOR'S BUDGET: IDENTIFICATION OF SEPARATELY GOVERNED CAMPUSES

	Aggregated - Recommendations shown for individual campuses		Consolidated - Recommendations not shown for individual campuses	
	Statewide aggregated	Functional cluster	Statewide consolidated	Functional cluster
California				
Colorado		x		
Connecticut				
Florida				
Hawaii				
Illinois				
Kansas				
Michigan	x			
Mississippi				
Nebraska				
New York				
Pennsylvania	x			
Tennessee				
Texas	x			
Virginia	x			
Washington	x			
Wisconsin				
Total	5	1	0	0

STATE NOTES

California: Hastings College of Law is a separately governed campus and is separately identified in the governor's budget.

Pennsylvania: The separately governed campuses include the state colleges, Indiana University, and Lincoln University. Each of the three consolidated multicampus university requests is separately identified in the governor's budget.

Table 63: GOVERNOR'S BUDGET: IDENTIFICATION OF INDIVIDUAL CAMPUSES OF MULTICAMPUS SYSTEMS

	Aggregated - Individual campus requests identified			Consolidated - Individual campus requests not identified or secondary		
	Statewide aggregated	Multicampus aggregated	Functional cluster	Statewide consolidated	Multicampus consolidated	Functional cluster
California		x			x	
Colorado		x				
Connecticut					x	
Florida						
Hawaii						
Illinois		x				
Kansas						
Michigan		x				
Mississippi						
Nebraska		x				
New York			x			
Pennsylvania					x	
Tennessee		x				
Texas		x				
Virginia						
Washington						
Wisconsin						
Total	0	7	1	0	3	0

STATE NOTES

California: Campus recommendations are shown for the State University and Colleges but not for the University of California.

Table 64: GOVERNOR'S BUDGET: IDENTIFICATION OF INDIVIDUAL CAMPUSES UNDER A CONSOLIDATED GOVERNING BOARD

	Aggregated - Individual campus requests identified		Consolidated - Individual campus requests not identified or secondary	
	Statewide aggregated	Functional cluster	Statewide consolidated	Functional cluster
California				
Colorado				
Connecticut				
Florida			x	
Hawaii	x			
Illinois				
Kansas	x			
Michigan				
Mississippi				
Nebraska			x	
New York				
Pennsylvania				
Tennessee				
Texas				
Virginia				
Washington				
Wisconsin			x	x
Total	2	0	3	1

STATE NOTES

Table 64

Mississippi: There is no governor's budget. Recommendations of the Commission on Budgeting and Accounting are consolidated statewide.

Wisconsin: The University of Wisconsin System's request is consolidated for all campuses in the governor's budget but program statistics are presented, in some instances, by functional clusters of campuses. Some proposed increases for specific campuses are identified.

Table 65: JOINT LEGISLATIVE FISCAL COMMITTEE HEARINGS ON HIGHER EDUCATION OPERATING BUDGET REQUESTS: NATURE, FOCUS, AND DURATION

	Joint Legislative Fiscal Committee		Committee hearings		Focus of hearings						Time spent on hearings		
	Yes	No	Yes	No	Gov's bdgt	Cons Gov Bd req	Coord Agency req/recs	Dept of Educ recs	Multi campus req	Campus req	Less than 1 day	1-2 days	3 or more days
California	x			x									
Colorado	x		x				x		x	x			x
Connecticut	x		x		x								x
Florida		x											
Hawaii		x											
Illinois		x											
Kansas		x											
Michigan		x											
Mississippi	x		x			x				x	x		
Nebraska	x		x		x				x	x			x
New York		x											
Pennsylvania	x			x									
Tennessee	x		x		x		x					x	
Texas	x		x						x	x		x	
Virginia		x											
Washington	x			x									
Wisconsin	x		x		x							x	
Total	10	7	7	3	4	1	2	0	3	4	1	3	3

STATE NOTES

Table 65

Connecticut: The Joint Appropriations Committee holds a public hearing after a preliminary review of the governor's budget. Extensive hearings on various issues are held subsequently. Representatives of institutions and others interested in higher education testify.

Kansas: The Ways and Means Committees of both Houses are served jointly by a newly created staff office. The Committees consider the budget jointly, but may make differing recommendations.

Nebraska: Because of the unicameral legislature there is only one committee.

Pennsylvania: The joint Legislative Budget and Fiscal Committee is not part of the operating budget review process, but does program evaluations.

Tennessee: The Senate and House Finance Ways and Means Committees and the Joint Fiscal Review Committee sit jointly for budgetary hearings.

Texas: The governor's Budget Office and Legislative Budget Board hold joint staff hearings. Hearings generally last one day for each of the major institutions. The hearings are public.

Washington: The Joint Legislative Budget Committee is not involved in the review of operating budgets, but does perform program audits.

Table 66: JOINT LEGISLATIVE FISCAL COMMITTEE HEARINGS ON HIGHER EDUCATION OPERATING BUDGETS: REGULAR ATTENDANCE

	Executive budget staff	Consolidated Governing Board staff	Coordinating Agency staff	State Dept of Education staff	Multicampus administration	Campus administration
California						
Colorado	x		x		x	x
Connecticut	x		x			x
Florida						
Hawaii						
Illinois						
Kansas						
Michigan						
Mississippi		x				x
Nebraska	x				x	x
New York						
Pennsylvania						
Tennessee	x		x		x	
Texas	x		x		x	x
Virginia						
Washington						
Wisconsin	x	x				
Total	6	2	4	0	4	5

STATE NOTE Table 66

Connecticut: Staff of the Department of Finance and Control and the Commission on Higher Education attend hearings when invited by the Committee.

Table 67: UPPER LEGISLATIVE HOUSE FISCAL COMMITTEE HEARINGS ON HIGHER EDUCATION OPERATING BUDGET REQUESTS: NATURE, FOCUS, DURATION, AND STAFFING

	Hearings		Focus of hearings							Time spent on hearings			Staff for hearings		
	Yes	No	Gov's bdgt	Joint Legis Fisc Com recs	Cons Gov Bd req	Coord Agy req/recs	Dept of Educ recs	Multi cmps req	Cmps req	Less than 1 day	1-2 days	3 or more days	Sep Comm staff	Joint Fisc Comm staff	None
California	x		x	x								x		x	
Colorado															
Connecticut															
Florida	x		x		x							x	x		
Hawaii	x		x		x				x			x	x		
Illinois	x		x								x		x		
Kansas	x		x								x				x
Michigan	x		x				x		x			x	x		
Mississippi															
Nebraska															
New York	x		x					x		x			x		
Pennsylvania	x		x					x	x			x	x		
Tennessee															
Texas	x		x					x	x	x				x	
Virginia	x		x						x			x			x
Washington	x								x			x	x		
Wisconsin															
Total	11	0	10	1	2	0	1	3	6	2	2	7	7	2	2

STATE NOTES

Table 67

Illinois: Hearings are held on individual appropriation bills submitted by each system; these bills are patterned after the governor's budget. Total hearing time is approximately eight hours.

Kansas: The table indicates the nature, focus, and duration of joint hearings of the upper and lower houses. In the past the Division of Budget staff have served the Legislative Fiscal Committees. A new legislative fiscal staff member has been employed recently to serve both Fiscal Committees.

New York: Joint hearings are held by the Senate and Assembly Fiscal Committees.

Texas: Hearings last approximately 30 minutes per institution.

Virginia: Joint public hearings of the Senate and House Fiscal Committees, lasting about three days (varies), are held on the governor's budget at the beginning of the session. The length of hearings on higher education within this period varies. Division of Budget and State Council of Higher Education staff attend. Thereafter, the House Appropriations Committee holds both public and closed hearings on the governor's budget. The Senate Finance Committee subsequently considers the House-passed bill in closed session, calling for agency appearances as it deems necessary.

Table 68: UPPER LEGISLATIVE HOUSE FISCAL COMMITTEE HEARINGS ON HIGHER EDUCATION OPERATING BUDGETS: STAFF WHO REGULARLY ATTEND

	Executive budget staff	Consolidated Governing Board staff	Coordinating Agency staff	State Dept of Education staff	Multicampus administration	Campus administration
California	x				x	
Colorado						
Connecticut						
Florida	x	x		x		
Hawaii		x				x
Illinois	x		x		x	x
Kansas	x	x				x
Michigan	x			x		x
Mississippi						
Nebraska						
New York	x				x	
Pennsylvania	x			x	x	x
Tennessee						
Texas	x		x		x	x
Virginia	x		x			x
Washington	x		x			x
Wisconsin						
Total	10	3	4	3	5	8

STATE NOTES

Table 68

Illinois: Multicampus or board administrators decide which campus officers will appear at the hearings.

New York: Joint hearings are held by the Senate and Assembly Fiscal Committees.

Virginia: Joint public hearings of the Senate and House Fiscal Committees, lasting about three days (varies), are held on the governor's budget at the beginning of the session. The length of hearings on higher education within this period varies. Division of Budget and State Council of Higher Education staff attend. Thereafter, the House Appropriations Committee holds both public and closed hearings on the governor's budget. The Senate Finance Committee subsequently considers the House-passed bill in closed session, calling for agency appearances as it deems necessary.

Table 69: LOWER LEGISLATIVE HOUSE FISCAL COMMITTEE HEARINGS ON HIGHER EDUCATION OPERATING BUDGET REQUESTS: NATURE, FOCUS, DURATION, AND STAFFING

	Hearings		Focus of hearings							Time spent on hearings			Staff for hearings		
	Yes	No	Gov's bdgt	Joint Legis Fisc Com recs	Cons Gov Bd req	Coord Agy req/ recs	Dept of Educ recs	Multi cmps req	Cmps req	Less than 1 day	1-2 days	3 or more days	Sep Comm staff	Joint Fisc Comm staff	None
California	x		x	x								x	x		
Colorado															
Connecticut															
Florida	x		x		x							x	x		
Hawaii	x		x		x				x			x	x		
Illinois	x		x								x		x		
Kansas	x		x								x				x
Michigan	x		x				x		x		x		x		
Mississippi															
Nebraska															
New York	x		x					x		x			x		
Pennsylvania	x		x					x	x			x	x		
Tennessee															
Texas	x		x					x	x	x				x	
Virginia	x		x						x			x	x		
Washington	x								x			x	x		
Wisconsin															
Total	11	0	10	1	2	0	1	3	6	2	3	6	9	1	1

STATE NOTES

Table 69

Illinois: Hearings are held on individual appropriation bills submitted by each system; these bills are patterned after the governor's budget. The duration of all hearings is approximately eight hours.

Kansas: The table indicates the nature, focus, and duration of joint hearings of the upper and lower houses. In the past Division of Budget staff have served the Fiscal Committees. A new legislative fiscal staff has been employed recently to serve both Committees.

Michigan: The House hearings would ordinarily also focus on the Senate-passed bill.

New York: Joint hearings are held by the Senate and Assembly Fiscal Committees.

Pennsylvania: Consideration begins with the governor's budget, but the Fiscal Committees hear campus requests and freely change the governor's budget.

Virginia: Joint public hearings of the Senate and House Fiscal Committees, lasting about three days (varies), are held on the governor's budget at the beginning of the session. The length of hearings on higher education within this period varies. Division of Budget and State Council of Higher Education staff attend. Thereafter, the House Appropriations Committee holds both public and closed hearings on the governor's budget. The Senate Finance Committee subsequently considers the House-passed bill in closed session, calling for agency appearances as it deems nesessary.

Table 70: LOWER LEGISLATIVE HOUSE FISCAL COMMITTEE HEARINGS ON HIGHER EDUCATION OPERATING BUDGETS: STAFF WHO REGULARLY ATTEND

	Executive budget staff	Consolidated Governing Board staff	Coordinating Agency staff	State Dept of Education staff	Multicampus administration	Campus administration
California	x				x	
Colorado						
Connecticut						
Florida	x	x		x		
Hawaii		x				x
Illinois	x		x		x	x
Kansas	x	x				x
Michigan	x			x		x
Mississippi						
Nebraska						
New York	x			x	x	
Pennsylvania	x			x	x	x
Tennessee						
Texas	x		x		x	x
Virginia	x		x			x
Washington	x		x			x
Wisconsin						
Total	10	3	4	4	5	8

STATE NOTES

Table 70

Illinois: Multicampus or board administrators decide which campus officers will appear at the hearings.

New York: Joint hearings are held by the Senate and Assembly Fiscal Committees.

Virginia: Joint public hearings of the Senate and House Fiscal Committees, lasting about three days (varies), are held on the governor's budget at the beginning of the session. The length of hearings on higher education varies within this period. Division of Budget and State Council of Higher Education staff attend. Thereafter, the House Appropriations Committee holds both public and closed hearings on the governor's budget. The Senate Finance Committee subsequently considers the House-passed bill in closed session, calling for agency appearances as it deems necessary.

Table 71: LEGISLATIVE COMMITTEE AND COMMITTEE STAFF REVIEW OF HIGHER EDUCATION OPERATING BUDGETS: PUBLIC REPORTS

	Staff analyses of higher education appropriation request	Legislative policy statements included in appropriation act	Legislative policy statements included in separate appropriation committee report(s)
California	x	x	x
Colorado			x
Connecticut			
Florida		x	
Hawaii		x	x
Illinois		x	
Kansas			x
Michigan		x	x
Mississippi			x
Nebraska	x	x	
New York			x
Pennsylvania		x	
Tennessee		x	
Texas	x	x	
Virginia	x		
Washington		x	x
Wisconsin	x	x	
Total	5	11	8

STATE NOTES

Connecticut: The Office of Fiscal Analysis in the General Assembly annually publishes "A Summary of Revenue Appropriations and Bonds Authorized."

Kansas: With the exception of the 1974-75 appropriation, the Senate and House Ways and Means Committees have issued a report on appropriation actions.

Nebraska: The Legislative Fiscal Office publishes its budget recommendations in a public report.

Washington: The chairmen of the Senate and House Ways and Means committees send letters to institutions outlining the considerations that lead to appropriations. Copies of these letters are sent to the Office of Program Planning and Financial Management and the Council on Higher Education.

Table 72: BUDGET BILL FOR HIGHER EDUCATION OPERATING BUDGETS: DRAFTING AGENCY AND NUMBER OF BILLS

	Agency drafting budget bill				Number of budget bills		
	Executive Budget Office	Legis Joint Comm staff	Separate Legis Comm staff	Other	Single bill for state services	Separate bill for higher educ	Separate bills for campuses and/or multi-campus systems
California	x				x		
Colorado		x			x		
Connecticut	x				x		
Florida			x		x		
Hawaii	x				x		
Illinois				x			x
Kansas	x				x		
Michigan	x		x	x		x	
Mississippi		x				x	
Nebraska	x	x				x	
New York	x				x		
Pennsylvania	x		x		x		x
Tennessee			x		x		
Texas		x			x		
Virginia	x				x		
Washington	x				x		
Wisconsin	x	x			x		

STATE NOTES

Table 72

Florida: Each house introduces an appropriation bill.

Illinois: Each higher education system drafts its own budget bill.

Kansas: Draft language for the budget bill is included in the governor's budget.

Michigan: All agencies draft a representative budget bill as part of their recommendations. There is a separate bill for operating budgets of the community colleges.

Nebraska: Traditionally, the Budget Division drafts the appropriation bill, but for FY 1974-75 the legislature introduced a substitute bill. Traditionally there is a single budget bill for all state services but in FY 1974-75 there was a separate budget bill for higher education, excluding the two-year colleges.

New York: Following prompt passage of the main appropriation bill, there is a supplemental bill. Both bills cover all state services.

Pennsylvania: The initial drafts of appropriation bills are prepared by the Office of Budget. However, the legislature upon occasion prepares its own drafts. All state agencies' appropriations are in a single consolidated bill. The appropriation for the state colleges is to the Department of Education. Each state-related university and each private state-aided institution receives its appropriation in a separate bill.

Tennessee: Each house introduces an appropriation bill.

Texas: The Legislative Budget Board staff draft separate bills for each house.

Wisconsin: The budget bill is jointly prepared by the executive and legislative staffs. The governor's budget recommendations are incorporated in a bill drafted by the Department of Administration. Substitute amendments and amendments to the governor's bill are drafted by the Legislative Fiscal Bureau together with the bill-drafting section of the Legislative Reference Bureau.

Table 73: BUDGET BILL FOR HIGHER EDUCATION OPERATING BUDGETS: FORMAT

	Format of budget bill					
	Object-of-expenditure	Organizational functions		NCHEMS or modified NCHEMS programs		Lump-sum
		Without object-of-expenditure	With object-of-expenditure	Without object-of-expenditure	With object-of-expenditure	
California						x
Colorado			x			
Connecticut	x					
Florida					x	
Hawaii				x		
Illinois	x					
Kansas	x					
Michigan				x		
Mississippi						x
Nebraska		x				
New York				x		
Pennsylvania		x				x
Tennessee						x
Texas		x				
Virginia						x
Washington						x
Wisconsin		x		x		
Total	3	4	1	4	1	6

Explanatory Notes: Objects of expenditure are those items for which resources are actually expended, such as personnel, travel, supplies and equipment, and contractual services.
Functional categories correspond to administrative or organizational activities that support primary program efforts. Often, these correspond to the structure of an organization.
NCHEMS or modified NCHEMS programs are those categorizations (or variations thereof) of the seven program elements included in the WICHE/NCHEMS Program Classification Structure.

STATE NOTES

Table 73

California: The lump-sum appropriation for the State University and Colleges (CSUC) is supported by a schedule with lines for 1) personal services, 2) operating expenses and equipment, 3) Federal reimbursements, and 4) other reimbursements. In addition to the lump-sum appropriations to the University of California and CSUC, there is an appropriation to Hastings College of Law. In addition to the lump-sum amounts there are numerous minor appropriations to the two systems (16 for UC and 6 for CSUC) for one-time purposes.

Colorado: Appropriations are by functional categories. Resident instructions and some medical unit appropriations are shown by object-of-expenditure classification as well.

Michigan: The major categories of the appropriations bill are modified NCHEMS programs. The appropriation for instruction is further disaggregated by organizational unit.

Pennsylvania: A lump-sum appropriation is made to the Department of Education for state-owned institutions as part of an appropriation bill for all executive, legislative, and judicial departments. State-related Lincoln University and each of the state-aided institutions also receive lump-sum appropriations through separate appropriation bills. The appropriations for the remaining state-related institutions are contained in separate bills for each that list three to five functional lines.

Wisconsin: The *general program operations* line is disaggregated by modified NCHEMS format.

Table 74: BUDGET BILL FOR HIGHER EDUCATION OPERATING BUDGETS: NUMBER OF ORGANIZATIONAL APPROPRIATIONS FOR FOUR-YEAR INSTITUTIONS IN RELATION TO NUMBER OF REQUESTS AND NUMBER OF CAMPUSES, AND NUMBER OF LINES PER ORGANIZATIONAL APPROPRIATION

	Number of four-year and upper division campuses	Number of requests or recommendations acted upon by Executive/ Legislative staffs	Number of organizational appropriations for four-year campuses and subsidiary activities	Number of lines per typical organizational appropriation		
				Four or less lines	5-10 lines	11 or more lines
California	29	3	3	x		
Colorado	13	18	18		x	
Connecticut	6	3	3		x	
Florida	9	10	7		x	
Hawaii	2	1	1		x	
Illinois	13	1	10			x
Kansas	7	7	7		x	
Michigan	15	15	15			x
Mississippi	9	2	2		x	
Nebraska	7	5	7	x	x	
New York	27	1	27		x	
Pennsylvania	34	18	5	x		
Tennessee	11	1	17	x		
Texas	40	40	48			x
Virginia	15	15	25	x		
Washington	6	6	6	x		
Wisconsin	13	1	2		x	
Total	256	147	203	6	9	3

STATE NOTES

California: A separate appropriation is made to the University of California, the State University and Colleges, and to Hastings College of Law.

Colorado: The "number of requests" and the "number of organizational appropriations" exclude those for board administration, the Council for Arts & Humanities, the Historical Society, and the Associated University Press.

Connecticut: The "number of organizational appropriations" includes only the University of Connecticut, University of Connecticut-Health Center, and state colleges.

Florida: There are separate requests for Educational and General Activities, Board of Regents' Administrative Staff, Institute of Food and Agricultural Sciences, Engineering Industrial Experiment Station, University of Florida Teaching Hospital, University of Florida Educational Functions, University of Florida Veterinary Medicine, University of South Florida Medical Center, Systemwide Contracts and Grants, and Systemwide Auxiliary Budget.

The "number of organizational appropriations" includes medical centers, teaching hospitals, the veterinary medicine school, and the engineering experiment station.

Illinois: The "number of organizational appropriations" excludes system-level administration. The amounts for campuses of the University of Illinois and Southern Illinois University are aggregated by system in the appropriations bill.

Mississippi: The "number of organizational appropriations" includes the Medical School.

Nebraska: University of Nebraska campus requests are aggregated. The state college requests are submitted under one cover, but are treated as separate requests. The "number of organizational appropriations" excludes system-level administrations. The state colleges each have four lines and the University of Nebraska campuses each have 9 or 10 lines in the budget bill.

New York: CUNY campuses and appropriations are not included in the figures in the table.

(continued)

STATE NOTES (continued) Table 74

Pennsylvania: A separate appropriation is made to each of the four state-related universities. A single appropriation for all 14 state-owned colleges, including a university, is made to the Department of Education.

Tennessee: The "number of organizational appropriations" excludes the University of Tennessee System Administration but includes the University of Tennessee Agricultural Extension Service and Experiment Stations, County Technical Assistance Service, University of Tennessee Municipal Technical Advisory Service and Medical and Veterinary units.

Texas: The "number of organizational appropriations" excludes system-level administrations, Panhandle-Plains Historical Museum, Sam Houston Memorial Museum, Natural Fibers and Food Protein Committee, and Texas State Technical Institute. All other organizations are included.

Virginia: The "number of organizational appropriations" includes two teaching hospital divisions, the School of Continuing Education at University of Virginia, Public Service Bureaus at University of Virginia, the Research and Extension Divisions at Virginia Polytechnic and State University, and the Virginia Associated Research Campus of the College of William and Mary.

Washington: The language in the appropriation bill contains numerous limitations on the use of funds by institutions.

Wisconsin: There are two sets of appropriations to the University of Wisconsin System. There is an organizational appropriation to the cluster of doctoral-degree-granting campuses and one to the non-doctoral-degree-granting campuses. In addition there are seven appropriations to the University of Wisconsin System by the WICHE/NCHEMS program elements that do not identify separate campuses or clusters of campuses.

Table 75: BUDGET BILL FOR HIGHER EDUCATION OPERATING BUDGETS: IDENTIFICATION OF SEPARATELY GOVERNED CAMPUSES

	Aggregated - Individual campus appropriations identified		Consolidated - Individual campus appropriations not identified or secondary	
	Statewide aggregated	Functional cluster	Statewide consolidated	Functional cluster
California				
Colorado	x			
Connecticut				
Florida				
Hawaii				
Illinois				
Kansas				
Michigan	x			
Mississippi				
Nebraska				
New York				
Pennsylvania	x			
Tennessee				
Texas	x			
Virginia	x			
Washington	x			
Wisconsin				
Total	6	0	0	0

STATE NOTE

Pennsylvania: There are individual appropriations to one separately governed, single-campus university and to 12 state-aided private institutions.

Table 76: BUDGET BILL FOR HIGHER EDUCATION OPERATING BUDGETS: IDENTIFICATION OF INDIVIDUAL CAMPUSES OR MULTICAMPUS SYSTEMS

	Aggregated - Individual campus appropriations identified			Consolidated - Individual campus appropriations not identified or secondary		
	Statewide aggregated	Multicampus aggregated	Functional cluster	Statewide consolidated	Multicampus consolidated	Functional cluster
California					x	
Colorado		x				
Connecticut					x	
Florida						
Hawaii						
Illinois		x			x	
Kansas						
Michigan		x				
Mississippi						
Nebraska		x				
New York		x				
Pennsylvania					x	
Tennessee		x				
Texas		x				
Virginia						
Washington						
Wisconsin						
Total	0	7	0	0	4	0

STATE NOTES

Table 76

California:	In addition to the two multicampus systems, there is a separate appropriation to Hastings College of Law.
Illinois:	For Board of Regents and Board of Governors institutions, appropriations are detailed by campus. Campus breakdowns are not given for the University of Illinois and Southern Illinois University.

Table 77: BUDGET BILL FOR HIGHER EDUCATION OPERATING BUDGETS: IDENTIFICATION OF INDIVIDUAL CAMPUSES UNDER A CONSOLIDATED GOVERNING BOARD

	Aggregated - Individual campus appropriations identified		Consolidated - Individual campus appropriations not identified or secondary	
	Statewide aggregated	Functional cluster	Statewide consolidated	Functional cluster
California				
Colorado				
Connecticut				
Florida			x	
Hawaii	x			
Illinois				
Kansas	x			
Michigan				
Mississippi			x	
Nebraska				
New York				
Pennsylvania				
Tennessee				
Texas				
Virginia				
Washington				
Wisconsin				x
Total	2	0	2	1

STATE NOTES

Table 77

NONE

Table 78: GUBERNATORIAL VETO: NATURE OF AUTHORITY

	Nature of veto authority	
	Line item only	Reduction in line
California		x
Colorado	x	
Connecticut	x	
Florida	x	
Hawaii	x	
Illinois		x
Kansas	x	
Michigan	x	
Mississippi	x	
Nebraska		x
New York	x	
Pennsylvania		x
Tennessee		x
Texas	x	
Virginia	x	
Washington	x	
Wisconsin	x	
Total	12	5

Explanatory Note: "Reduction in line" authority implies "line item" veto authority plus the ability to alter amounts within a line.

STATE NOTES

Table 78

California: The governor can veto control language if it contains an appropriation.

Nebraska: The legislature must reconsider the entire appropriation bill, not just the reduced lines.

New York: The legislature must show increases over governor's budget recommendations as separate lines in the appropriation bill.

Tennessee: The General Assembly has the option of attempting to override the bill *in toto*, or attempting to override individual items that the governor has altered.

Table 79: TWO-YEAR INSTITUTIONS: TYPE, GOVERNANCE, AND NUMBER

	Community Colleges					Vocational/Technical Colleges					University two-year branches
	Cons Gov Board	State Dept Educ	Sep two-year Board	Combined two-& four-yr Board	Local Board only	Cons Gov Board	State Dept Educ	Sep two-year Board	Combined two-& four-yr Board	Local Board only	
California			70								
Colorado			7		4						
Connecticut			12					4			5
Florida			28								
Hawaii	7										
Illinois			38								
Kansas		19					1				
Michigan		29									
Mississippi		16									
Nebraska			12								1
New York				38					6		
Pennsylvania		14									25
Tennessee				10							
Texas					46		1				
Virginia			23								1
Washington			22								
Wisconsin								16			14
Total	7	78	212	48	50	0	2	20	6	0	46

Explanatory Note: Some community colleges listed above have more than one campus.

STATE NOTES

Table 79

California: There are 70 local community college district boards that govern 100 campuses.

Florida: Coordination of community college governance is provided by the state board.

Michigan: The junior and community colleges are governed by local boards in addition to the State Board for Public Community and Junior Colleges which is advisory to the State Board of Education. Of the 29 local boards 25 are independent and four are K-12 boards.

Pennsylvania: There are 14 community colleges, 17 two-year branch campuses of Pennsylvania State University, three two-year branch campuses of the University of Pittsburgh, and five two-year branch campuses of three state colleges, including Indiana University.

Wisconsin: There are 16 vocational-technical districts, each governed by a local board and the state Board of Vocational, Technical, and Adult Education. In three of the districts, "dual track" or community colleges exist, offering college parallel as well as vocational and technical diploma and associate degree programs.

Table 80: TWO-YEAR COLLEGE OPERATING BUDGETS: SOURCE OF REVENUES

	Community Colleges				Vocational/Technical Colleges				University Two-Year Branches			
	n/a	None local	None state	Both state and local	n/a	None local	None state	Both state and local	n/a	None local	None state	Both state and local
California				x	x				x			
Colorado		x		x	x				x			
Connecticut		x				x				x		
Florida		x			x				x			
Hawaii		x			x				x			
Illinois				x	x				x			
Kansas				x		x			x			
Michigan				x	x				x			
Mississippi				x	x				x			
Nebraska				x	x				x			
New York				x		x			x			
Pennsylvania				x	x					x		
Tennessee		x			x				x			
Texas				x		x			x			
Virginia		x			x					x		
Washington		x			x				x			
Wisconsin								x				x
Total	0	7	0	10	12	4	0	1	13	3	0	1

Explanatory Note: "Local" revenues include all funds obtained by two-year institutions from sources other than state and federal general revenues.

STATE NOTES

Table 80

Colorado: Seven state-system community colleges are entirely state supported while four other community colleges get both state and local support.

Nebraska: Nebraska's community colleges, called Technical Community Colleges, have both technical and academic programs. The State Supreme Court in 1974 invalidated local property tax support for two-year institutions; the method for financing these institutions is now under debate.

Wisconsin: Operating costs of two-year university branches are state and student fee-funded. Physical plant construction is funded by counties.

Table 81: TWO-YEAR AND FOUR-YEAR INSTITUTION BUDGET SUBMISSIONS: DIFFERENCES BETWEEN THE TWO SEGMENTS

	Similar			Similar but differs in detail			Different		
	Community College	Voc/Tech College	Univ Branches	Community College	Voc/Tech College	Univ Branches	Community College	Voc/Tech College	Univ Branches
California							x		
Colorado	x						x		
Connecticut	x	x	x						
Florida							x		
Hawaii	x								
Illinois							x		
Kansas							x		
Michigan				x					
Mississippi							x		
Nebraska							x		
New York		x					x		
Pennsylvania			x				x		
Tennessee	x								
Texas							x	x	
Virginia	x		x						
Washington				x					
Wisconsin			x					x	
Total	5	2	4	2	0	0	10	2	0

Explanatory Note: Submissions by the two-year institutions which are similar but differ in detail from those of four-year institutions include those which follow essentially the same philosophy and format.

STATE NOTES

Table 81

Colorado: The community college budget requests of campuses in the state system are like those of the four-year institutions while local community colleges are funded on ADA basis.

Florida: The community college budget submissions are based upon unit costs while those of four-year institutions are based upon productivity factors.

Pennsylvania: The budgets for the branches of the universities are not separately identified but rather are part of the consolidated submission of the multicampus system.

Washington: Both four-year and two-year institutions are funded through indicators. There are differences, however, between the indicators. For example, costs for summer sessions are included in the two-year college indicators but not in the four-year institution indicators.

Table 82: MAJOR TIME INTERVALS (IN WEEKS) IN FORMULATION OF HIGHER EDUCATION OPERATING BUDGETS: STATES WITH CONSOLIDATED GOVERNING BOARDS

			California	Colorado	Connecticut	Florida	Hawaii	Illinois	Kansas	Michigan	Mississippi	Nebraska	New York	Pennsylvania	Tennessee	Texas	Virginia	Washington	Wisconsin
1)	From:	Issuance of instructions to campuses																	
	To:	Submission of campus requests to Consolidated Governing Board				6-8	20		8		16								6-10
2)	From:	Submission of campus requests to Consolidated Governing Board																	
	To:	Submission of Consolidated Governing Board Request to State Agency				12	12		14		4								16-20
3)	From:	Submission of Consolidated Governing Board Request to State Agency																	
	To:	Issuance of governor's budget				18-20	16		14										18-20
	To:	Other									4								
4)	From:	Issuance of governor's budget																	
	To:	Beginning of fiscal year				17-18	24		24		20								22-30
	To:	Other																	
5)		Total weeks from issuance of instructions to campuses to beginning of fiscal year				53-58	72		60		44								62-80

Explanatory Note: The major time intervals are the actual, rather than the scheduled, times for the preparation of the 1974-75 budget (or 1973-75 budget in states with biennial budgetary cycles).

STATE NOTES

Table 82

Kansas:	Appropriations are normally enacted by May, or two months prior to the start of the fiscal year.
Mississippi:	There is no governor's budget. Line 4 above pertains to the issuance of recommendations by the Commission on Budgeting and Accounting.

Table 83: MAJOR TIME INTERVALS (IN WEEKS) IN FORMULATION OF HIGHER EDUCATION OPERATING BUDGETS: STATES WITH COORDINATING AGENCIES OR STATE DEPARTMENTS OF EDUCATION HAVING BUDGETARY REVIEW AUTHORITY

	California	Colorado	Connecticut	Florida	Hawaii	Illinois	Kansas	Michigan	Mississippi	Nebraska	New York	Pennsylvania	Tennessee	Texas	Virginia	Washington	Wisconsin
1) From: Issuance of instructions to campuses To: Submission of campus requests to Coordinating Agency		12	12			24						12	10				
To: Submission of campus requests to Executive Budget Office		12	12			24											
To: Other																	
2) From: Submission of campus requests to Coordinating Agency To: Coordinating Agency Recommendation to governor and/or legislature		12	8			12-16						8	6				
3) From: Coordinating Agency Recommendation to governor and/or legislature To: Issuance of governor's budget		20	16			8-12						8	6-12				
To: Other																	
4) From: Issuance of governor's budget To: Beginning of fiscal year		22	19			12-16						24	10-16				
5) Total weeks from issuance of instructions to campuses to beginning of fiscal year		40	59			64-68						52	38				

Explanatory Note: The major time intervals are the actual, rather than the scheduled, times for the preparation of the 1974-75 budget (or 1973-75 budget in states with biennial budgetary cycles).

STATE NOTES

Table 83

California:	The California Coordinating Council for Higher Education had budgetary authority but had not exercised this authority since 1967.
Pennsylvania:	Appropriations in recent years have been made as late as November, or five months after the start of the fiscal year.
Tennessee:	Time intervals vary between election and non-election years.

Table 84: MAJOR TIME INTERVALS (IN WEEKS) IN FORMULATION OF HIGHER EDUCATION OPERATING BUDGETS: STATES WITH COORDINATING AGENCIES OR STATE DEPARTMENTS OF EDUCATION WHICH DO NOT HAVE OR DO NOT EXERCISE BUDGETARY REVIEW AUTHORITY

	California	Colorado	Connecticut	Florida	Hawaii	Illinois	Kansas	Michigan	Mississippi	Nebraska	New York	Pennsylvania	Tennessee	Texas	Virginia	Washington	Wisconsin
1) From Issuance of instructions to campuses To: Submission of campus requests to a State Agency	8							8		12	4			SEE STATE NOTE	18	21	
2) From: Submission of campus requests to a State Agency To: Issuance of governor's budget	14							8		16	16				20	12	
3) From: Issuance of governor's budget To: Enactment of budget bill	22							24		12	8				14	19	
4) Total weeks from issuance of instructions to campuses to enactment of budget bill	44							40		36	28				52	52	

Explanatory Note: The major time intervals are the actual, rather than the scheduled, times for the preparation of the 1974-75 budget (or 1973-75 budget in states with biennial budgetary cycles).

STATE NOTES

Table 84

Michigan: Although the Department of Education has the responsibility to advise on financial needs, the Budget Division receives and acts on requests directly from the campuses. Discussions on the budget will have been in progress for at least three months prior to issuance of formal instructions.

Nebraska: There is no state higher education agency with coordinating or budgetary responsibilities in Nebraska.

New York: Discussions on the budget will have been in progress for at least four months prior to the issuance of formal instructions.

Texas:

From issuance of instructions to campuses to submission of campus requests to Legislative Budget Board and Governor's Budget Office	4 months
From submission of campus requests to end of joint staff hearings	2 1/2 months
From end of hearings to submission of revised request	1/2 - 1 month
From submission of final draft to issuance of governor's budget and Legislative Budget Board recommendations	2 months (GBO) 2 1/2 months (LBB)
From issuance of governor's budget to enactment of budget bill	5-6 months

Virginia: In the past the Council of Higher Education has not received institutional budget requests prior to their submission to the Division of the Budget.

Part III

Descriptions of Individual State Budgetary Processes

CALIFORNIA (1974–75)

IN GENERAL

Formulation of higher education operating budgets in California is characterized by: (1) large staffs of those agencies actively concerned with budget review and analysis; (2) the strong budgetary role of the three multicampus systems vis-à-vis the coordinating agency and individual campuses; (3) ambiguity concerning the budgetary role of the new California Postsecondary Education Commission in relation to the roles of the Budget Division and the Office of the Legislative Analyst; (4) lengthy legislative hearings; (5) the policy of staff rotation between budget cycles in the Budget Division; and (6) the role of the Director of Finance as the representative of higher education in the governor's cabinet. California has an annual budget with a fiscal year beginning July 1. The responsible state agencies are:

Executive Branch: The Budget Division of the Department of Finance (DOF) has a professional staff of 101 with nine and one-half professional positions assigned to higher education operating budgets. The Audit Division in DOF has 40 professional staff members, eight to ten of whom engage in program audits of higher education.

Legislative Branch: The Office of the Legislative Analyst for the Joint Legislative Budget Committee (Legislative Analyst) has 42 professional staff members, of whom three are responsible for higher education operating budgets. In addition, the lower house fiscal committee has one full-time staff member with higher education responsibilities. Staff of the office of the Legislative Analyst also engage in program audits of higher education. In addition, the Auditor General, with a professional staff of 50, also conducts program audits of higher education.

State Higher Education Agency: The California Postsecondary Education Commission (PSEC) replaced the Coordinating Council for Higher Education (CCHE) in 1974, retaining all CCHE staff except the director. PSEC has 18 professional staff members. Prior to 1974, CCHE staff analysed faculty salary data and prepared an analysis of costs of instruction. PSEC is continuing these studies. Findings are available to budget review agencies. PSEC staff organization is still under development.

HIGHER EDUCATION COORDINATION AND GOVERNANCE

PSEC is a coordinating agency with limited budgetary responsibility for advising on institutional budgetary priorities, student financial aid, and tuition. Historically, CCHE did not exercise budgetary authority other than through its annual or other special short term studies. It is not yet clear what budgetary role the new PSEC will play. PSEC coordinates 28 four-year college and university campuses governed by two multicampus boards: the University of California (UC) with constitutional status and the statutory California State University and Colleges (CSUC). It also coordinates 100 two-year campuses which are governed by 70 local district boards and loosely supervised by a statewide board. The state provides a portion of the funds for two-year campuses through a foundation program that employs an ADA equalization formula.

MAJOR ELEMENTS OF BUDGETARY PROCESS

Presubmission Activity: Procedural budget instructions are issued by DOF in August, first with a general policy letter followed by a "price letter" indicating general cost increases for utilities and commodities. Overall percentage increase targets are provided for each of the three segments. Informal contacts between DOF, the Legislative Analyst's staff, and the two senior segments are frequent. Contacts are usually structured around specific policy issues that have been identified by budget staff or other agency staff and reviewed by political leadership.

Budget Requests: Budget requests differ among the segments of higher education. The UC request is a consolidation of the campus requests, after review, without identification of individual campus amounts. The budget is presented in seven major program categories that resemble the WICHE/NCHEMS PCS elements but those contents differ significantly. The CSUC request has adopted the seven PCS program elements. The budget for each CSUC campus is presented employing this format. The requests from both segments identify separately "base adjustments" and "program maintenance and new program proposals." Both UC and CSUC system budget requests contain considerable narrative justification. All requests are submitted simultaneously to the Department of Finance and to the Legislative Analyst.

Review and Analysis: Review by the Department of Finance entails first an analysis of adjustments to the previous year's "budget base" such as price changes and salary increases. Then an analysis is made of "program change proposals" such as improvements of existing programs and the initiation of new programs. Analyses are buttressed by intensive short-range policy studies initiated by staff but approved by top officials. These studies are available to institutions but not generally published. The Legislative Analyst's staff does not find the broad program categories used for review by DOF useful for their analysis. The staff looks at specific increases and singles out particular priority items for examination. An analysis also is made of the governor's changes in the system's requests. The Legislative Analyst provides staff for the Senate Finance Committee and works closely with the staff of the Assembly Ways and Means Committee. Studies undertaken by the Legislative Analyst's office become public documents. No formal statewide information system exists although

PSEC is being encouraged to develop one. The budget instructions and routine and special requests made during the budget process provide the core of basic data utilized. These data are supplemented by the findings of the special studies. Although statewide analytic procedures based on student credit units per FTE faculty member have been proposed by DOF, they are yet to be fully implemented. A 1960 statutory Master Plan for higher education provides a general policy framework for budget review. The new PSEC has been given continuing planning responsibilities and is developing a five-year statewide plan.

DOF Hearings: In November the Director of Finance holds hearings of one-half to one full day on the budget requests of the two senior segments. Hearings are based on DOF staff special studies and are preceded by extensive informal staff negotiations. Legislative staff currently do not attend these hearings although there is a good deal of informal communication on issues at the staff level.

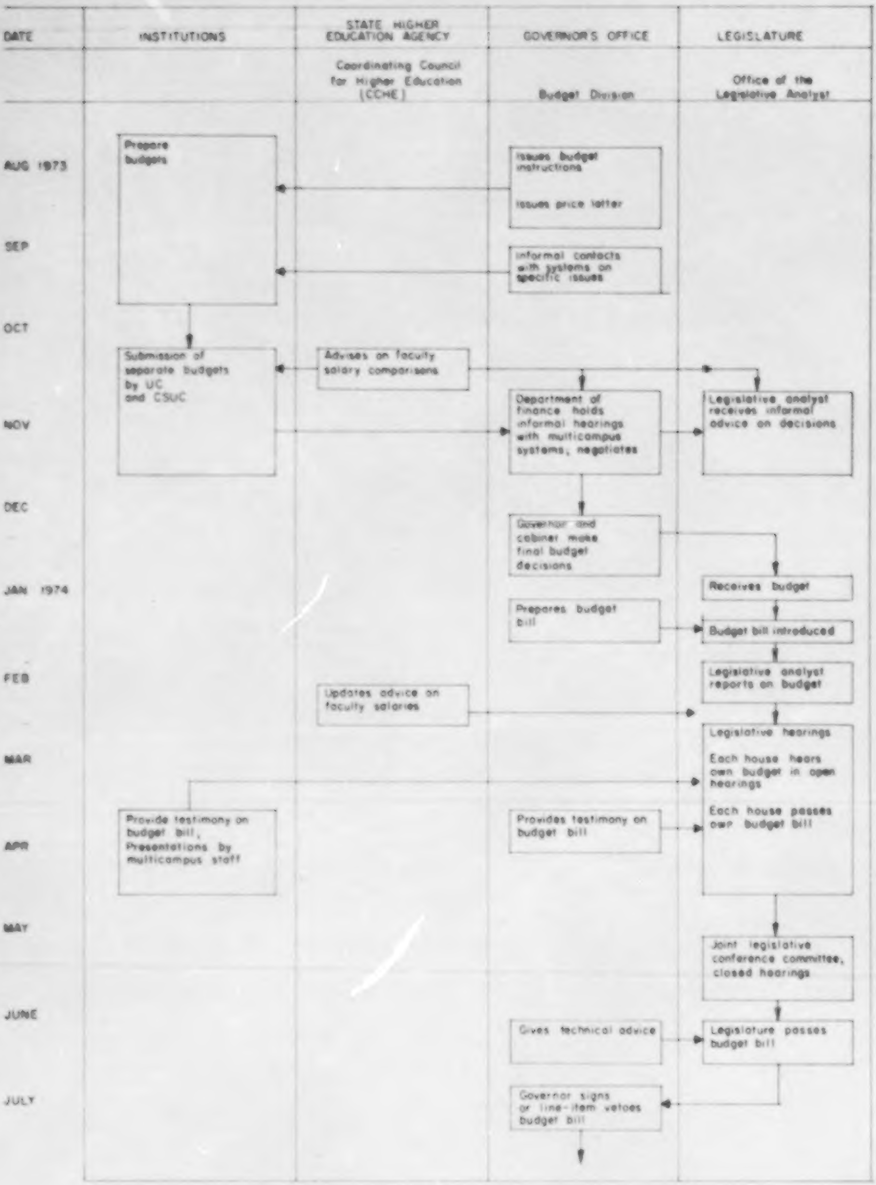
Governor's Budget: The governor's budget, submitted to the legislature in January, contains both narrative and less extensive quantitative justifications. It is in program form, similar to the institutional requests. Operating budget requests are by segment with the request for the UC system shown only in total, and for the CSUC system by campus.

Legislative Hearings: In March and April the fiscal committees in each house hold hearings on the governor's budget, those in the lower house extending over several weeks. The legislature is advised by specific recommendations in a formal report of the legislative Analyst as well as by committee staff. The staff of the Legislative Analyst present their recommendations to the committees. Multicampus system administrators testify, and DOF staff attend and defend the governor's budget. Final decisions on particular items are made as the hearings proceed.

Budget Bill: The budget bill is drafted by DOF and appropriates funds by segment rather than by campus, with the bulk of funds in a single line for each.

Control and Veto: The budget bill contains specific control language desired by the executive and legislative branches. In addition, the conference committee issues a report to further express legislative intent--often in substantial detail. The governor has line-item veto authority and can reduce appropriations within lines.

CALIFORNIA HIGHER EDUCATION OPERATING BUDGET FLOW CHART (1974-75 BUDGET)


DATE
INSTITUTIONS
STATE HIGHER EDUCATION AGENCY
GOVERNOR'S OFFICE
LEGISLATURE
Coordinating Council for Higher Education (CCHE)
Budget Division
Office of the Legislative Analyst
AUG 1973
SEP
OCT
NOV
DEC
JAN 1974
FEB
MAR
APR
MAY
JUNE
JULY
Prepare budgets
Issues budget instructions
Issues price letter
Informal contacts with systems on specific issues
Submission of separate budgets by UC and CSUC
Advises on faculty salary comparisons
Department of finance holds informal hearings with multicampus systems, negotiates
Legislative analyst receives informal advice on decisions
Governor and cabinet make final budget decisions
Receives budget
Prepares budget bill
Budget bill introduced
Legislative analyst reports on budget
Updates advice on faculty salaries
Legislative hearings
Each house hears own budget in open hearings
Each house passes own budget bill
Provide testimony on budget bill, Presentations by multicampus staff
Provides testimony on budget bill
Joint legislative conference committee, closed hearings
Gives technical advice
Legislature passes budget bill
Governor signs or line-item vetoes budget bill

COLORADO (1974-75)

IN GENERAL

Formulation of higher education operating budgets in Colorado is characterized by: (1) the dominant role of the legislature; and (2) the close working relationship between the governor's budget staff and that of the coordinating agency, including joint, primarily technical, workshops prior to submission of institutional budgets and joint substantive hearings thereafter. Colorado has an annual budget with a fiscal year beginning July 1. The responsible state agencies are:

Executive Branch: The Executive Budget Office (EBO) has a staff of 15, three of whom are responsible for higher education operating budgets.

Legislative Branch: The Joint Budget Committee (JBC) has a staff of six, two of whom are responsible for higher education operating budgets.

State Higher Education Agency: The Colorado Commission on Higher Education (CCHE) has a staff of 13, one of whom is responsible for higher education operating budgets.

HIGHER EDUCATION COORDINATION AND GOVERNANCE

CCHE is a coordinating agency with budgetary authority. It receives institutional budget requests and prepares and presents formal recommendations to the governor. It is responsible for the coordination of 12 four-year colleges and universities, governed by five boards. Multicampus systems do not appear to play a major role in budget formulation at the statewide level. It also coordinates 11 two-year colleges, seven of which are governed by a multicampus board with full state support and budgetary procedures like those for four-year campuses. Four local district two-year colleges receive state aid through flat grants per FTE student.

MAJOR ELEMENTS OF BUDGETARY PROCESS

Presubmission Activity: Budget instructions and forms are developed by CCHE in June and approved by both EBO and JBC. In July EBO and CCHE staffs conduct joint workshops with the institutions, primarily to clarify technical matters relating to budget forms. JBC staff attendance at these presubmission hearings is irregular. However, JBC staff generally spend about a day with the head of each campus prior to the submission of budget requests.

Budget Requests: Each campus submits a separate request, and the identity of recommendations for each campus is maintained throughout the budget process. The budgets for the campuses of the University of Colorado are submitted as an aggregated request for the University. Requests are simultaneously submitted to EBO, CCHE, and JBC in September. Budget requests are based on a common set of 15 functional categories which include "resident instruction," "organized research," "general administration and general expenses," and "data processing." The request contains a statement of institutional priorities and extensive justification of specific items based on these priorities.

Review and Analysis: In general, review and analysis by all agencies is based on institutional student/faculty ratios aggregated at campus level. EBO and CCHE staff utilize similar techniques but have different emphases. EBO is primarily concerned with the relationship of overall costs to overall state expenditures and with institutional comparisons within the state. On the other hand, CCHE emphasizes institutional needs and includes comparisons with out-of-state institutions. Both agencies direct analyses to the achievement of parity among similar programs across campuses. JBC and EBO staff are beginning to utilize student credit unit and faculty workload data disaggregated by HEGIS discipline. These and other data on higher education are collected primarily by CCHE. In budget analysis CCHE uses the statewide plan for higher education as a reference with regard to institutional roles, enrollment targets, and policy on student residence. The plan is also the basis for approval of new academic programs. The plan does not appear to be used explicitly in budget analysis by either EBO or JBC.

CCHE Hearings: Formal commission (as opposed to staff) hearings are held in November at the state capitol to review institutional requests in the light of revised staff recommendations resulting from the joint EBO/CCHE staff hearings. They are attended by staff from the institutions, CCHE and EBO, as well as commission members. Final recommendations are formally presented to the governor approximately a month after the hearings.

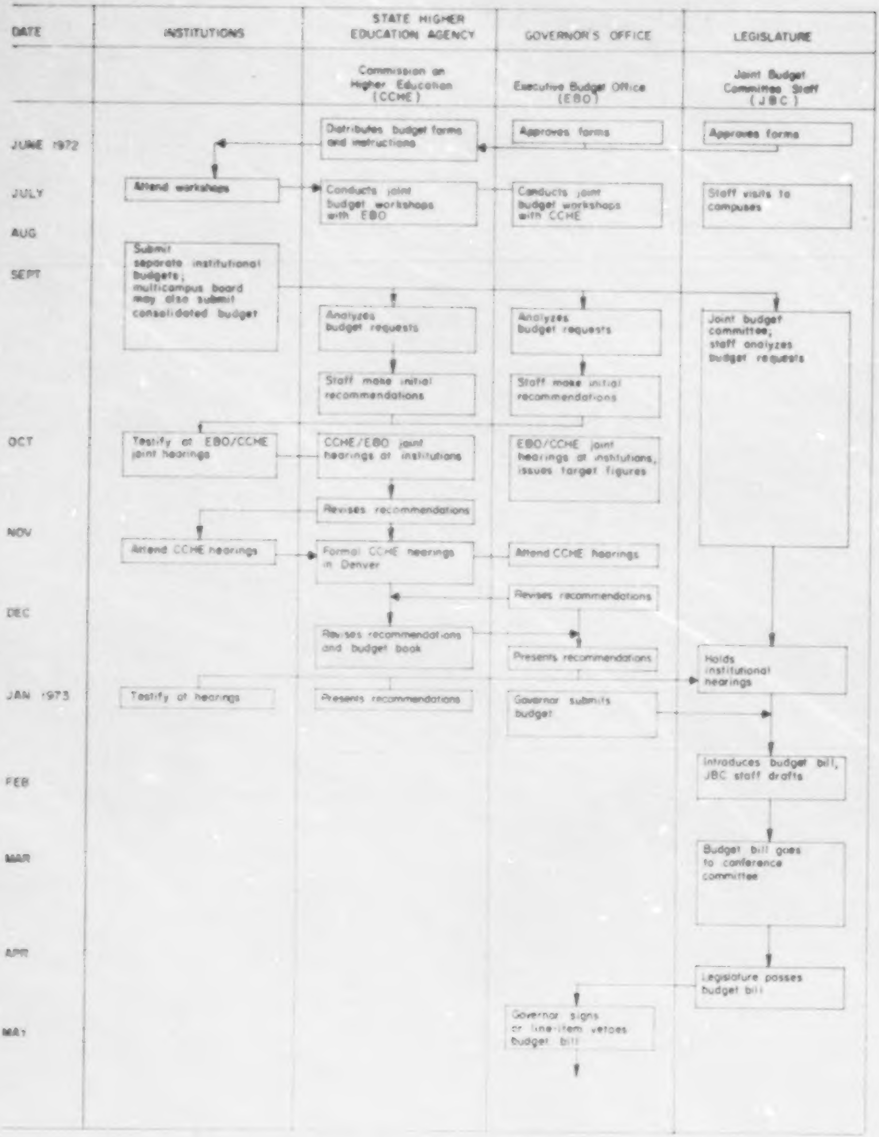
Legislative Hearings: JBC conducts hearings in December on institutional operating budget requests shortly after the CCHE hearings and prior to the issuance of the governor's budget. Hearings are held both at the state capitol and in other locales, and generally last from four to five days, although they may stretch over a three-week period. EBO and CCHE staff attend JBC hearings and present their separate recommendations which usually have been made available previously to the institutions.

Budget Bill: JBC staff draft a budget bill following legislative hearings. Funds are appropriated by campus and by broad categories of expenditure, generally less than ten line-items for each institution. Legislators may introduce budget bills in addition to that of the JBC. JBC acts as a conference committee to reconcile differences between the legislative houses.

Governor's Budget: The governor transmits his budget to the legislature in January after JBC hearings have been conducted or at least initiated. However, the governor's recommendations are presented to JBC by EBO staff at these hearings prior to the issuance of the governor's budget. Lump sum amounts are shown for each campus with brief justifications of the recommendations.

Control and Veto: Legislative intent is expressed in "footnotes," often numerous, to the budget bill. These are subject to veto. The governor has line-item veto authority but cannot reduce appropriations within lines.

COLORADO HIGHER EDUCATION OPERATING BUDGET FLOW CHART (1973-74 BUDGET)


DATE
INSTITUTIONS
STATE HIGHER EDUCATION AGENCY
GOVERNOR'S OFFICE
LEGISLATURE
Commission on Higher Education (CCHE)
Executive Budget Office (EBO)
Joint Budget Committee Staff (JBC)
JUNE 1972
Distributes budget forms and instructions
Approves forms
Approves forms
JULY
Attend workshops
Conducts joint budget workshops with EBO
Conducts joint budget workshops with CCHE
Staff visits to campuses
AUG
SEPT
Submit separate institutional budgets; multicampus board may also submit consolidated budget
Analyzes budget requests
Analyzes budget requests
Joint budget committee; staff analyzes budget requests
Staff make initial recommendations
Staff make initial recommendations
OCT
Testify at EBO/CCHE joint hearings
CCHE/EBO joint hearings at institutions
EBO/CCHE joint hearings at institutions, issues target figures
Revises recommendations
NOV
Attend CCHE hearings
Formal CCHE hearings in Denver
Attend CCHE hearings
DEC
Revises recommendations
Revises recommendations and budget book
Presents recommendations
Holds institutional hearings
JAN 1973
Testify at hearings
Presents recommendations
Governor submits budget
FEB
Introduces budget bill, JBC staff drafts
MAR
Budget bill goes to conference committee
APR
Legislature passes budget bill
MAY
Governor signs or line-item vetoes budget bill

CONNECTICUT (1974–75)

IN GENERAL

Formulation of higher education operating budgets in Connecticut is characterized by: (1) three or four sets of budget request instructions issued to institutions, including: (a) two sets issued by the Department of Finance and Control (DFC), which result in two governor's budget documents, (b) a set issued by the Commission for Higher Education (CHE), and (c) a set issued by the Department of Education (DOE) to the two-year technical colleges; (2) a similar system of budgeting for all segments of higher education; and (3) unusually detailed and rigid state controls over staffing and expenditures of state agencies, including institutions of higher education. Connecticut has an annual budget with a fiscal year beginning each July 1. The responsible state agencies are:

Executive Branch: The Planning and Budgeting Division of the Department of Finance and Control (DFC) has a professional staff of 36, four of whom are responsible for higher education operating budgets.

Legislative Branch: The Office of Fiscal Analysis (OFA) has a staff of six, one of whom is responsible for analysis of higher education operating budgets. The Office of Program Review conducts program audits of state programs, including higher education, and has four professional staff members.

State Higher Education Agency: The Commission for Higher Education (CHE) has a professional staff of 15, one of whom is primarily responsible for higher education operating budgets.

HIGHER EDUCATION COORDINATION AND GOVERNANCE

CHE is a coordinating agency with budgetary authority. CHE issues budget instructions, receives and reviews institutional budget requests, and submits a formal request on behalf of the institutions. However, institutional requests, which may differ from the CHE request, are also submitted to DFC. CHE coordinates 21 institutions in four "constituent units," each with its own multicampus governing board: 12 two-year community colleges, four state technical colleges, four four-year state colleges, and one university with a health center (medical-dental school) and with five two-year branches. The Board of Education is also the board for the technical colleges. The review of two-year campus requests is similar to that for four-year campuses.

MAJOR ELEMENTS OF BUDGETARY PROCESS

Presubmission Activity: Budget instructions and forms for all institutions are issued by DFC and CHE in May and are supplemented by DOE for technical colleges. For FY 1974-75, DFC issued a general policy memorandum setting percentage increase limitations on all state agencies (not complied with by CHE) and two sets of instructions, one for preparation of requests by functions and objects of expenditure, as was traditional, and one in an experimental PPB format. The object-of-expenditure budget formed the primary basis for analysis and discussions. CHE instructions are based on those of DFC. CHE requires additional information, however, and distinguishes between increases requested for improvement of existing programs and increases for new programs. Prior to submission of budgets, informal institutional contact with CHE staff on issues and interpretation of instructions is frequent, but is less frequent with DFC staff, and is quite rare with OFA staff.

Budget Requests: Institutions submit separate budget requests to CHE in July and DFC in September. CHE receives copies of the requests sent to DFC. Requests to CHE and DFC are presented by multicampus system, although amounts for campuses are identified. Likewise, CHE's recommendations to DFC are presented by multicampus system. The format of the institutional requests to CHE and DFC provides amounts by WICHE/NCHEMS program elements with subamounts for "personal services" and "other" listed under each program element. The institutional budget requests contain virtually no narrative justification.

CHE Hearing: The CHE board hearing on institutional requests is not lengthy, specific CHE changes of institutional requests having been previously agreed on through negotiation.

Review and Analysis: CHE negotiates enrollment projections with institutions and examines the impact of increases on "student contact hours--lower division equivalents" (SCHLDE's). The SCHLDE's, which are arrived at by weighting student contact hours by levels, are used to test the impact of budget recommendations and to judge comparability between institutions. CHE decisions are made in the context of a comparison of state support by Connecticut with such support by other states. DFC analysis employs SCHLDE's, student/faculty ratios, and a variety of other tests of the reasonableness of proposed increases in order to arrive at its recommendations to the governor. The governor's office reviews the DFC recommendations and makes significant changes. DFC bases its analysis primarily on the institutional submissions it receives. The less detailed CHE recommendations do not provide DFC with the data needed for completing object class schedules included in the governor's budget. Much information for budget review is furnished through CHE to both DFC and OFA, but DFC directly collects and maintains operating budget and audit information. All agencies generally limit information collection and analysis to the multicampus sytem level. An automated information system is in the initial stages of development of CHE. A state master plan for higher education that will likely provide a policy context for future budget review has been approved recently by the governor. Budget hearings are held on an informal basis by the

Budget Division and the Office of the Finance Commissioner.

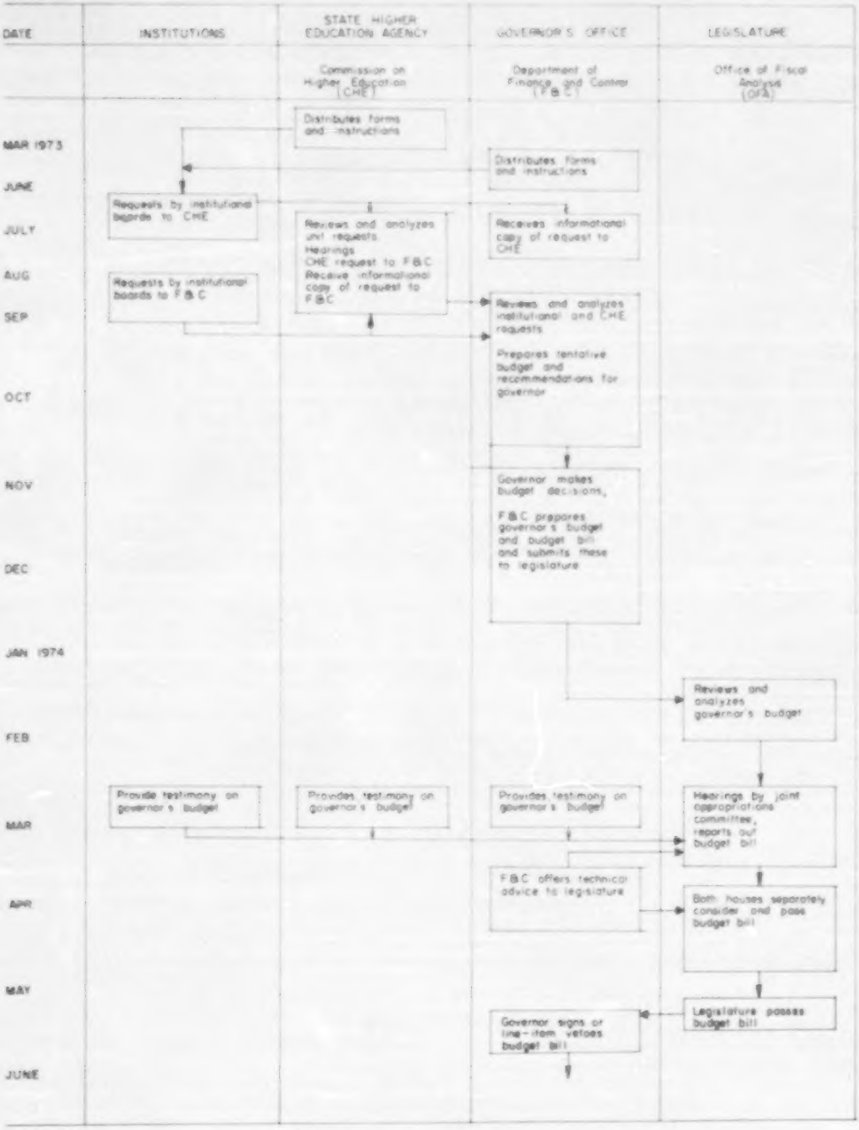
Governor's Budget: The governor's budget follows the same object-of-expenditure-by-function format specified by the DFC budget instructions. The alternate governor's Program Budget uses the seven WICHE/NCHEMS PCS program elements as its basic format. It also includes data for each program element on: (1) student contact hours by level; (2) positions; and (3) expenditures categorized by personal services, other expenses, equipment, and other. In the traditional budget, institutions are grouped by "constituent units." Narrative justification is limited, but considerable historical quantitative data are presented. The governor's budget is submitted to the legislature in February.

Legislative Hearings: The Joint Appropriations Committee holds a public hearing on the budget bill for approximately two days near the conclusion of their deliberations. Multicampus board staff, CHE staff, and members of the public appear and testify on the higher education portion of the bill, which is heard in approximately two hours.

Budget Bill: The original bill is drafted by DFC and is a single bill for all state operations. Institutions are grouped according to "constituent unit." Appropriations are generally in three lines: "personal services," "other expenses," and "equipment." The bill does not list funds other than state funds.

Control and Veto: The budget bill does not contain control language. The governor has line-item veto authority, but cannot reduce appropriations within lines. However, the governor is said to achieve the effect of a reduction veto by detailed line-item controls during budget administration.

CONNECTICUT HIGHER EDUCATION OPERATING BUDGET FLOW CHART (1974-75 BUDGET)


DATE
INSTITUTIONS
STATE HIGHER EDUCATION AGENCY
GOVERNOR'S OFFICE
LEGISLATURE
Commission on Higher Education (CHE)
Department of Finance and Control (F&C)
Office of Fiscal Analysis (OFA)
MAR 1973
JUNE
JULY
AUG
SEP
OCT
NOV
DEC
JAN 1974
FEB
MAR
APR
MAY
JUNE
Distributes forms and instructions
Distributes forms and instructions
Requests by institutional boards to CHE
Reviews and analyzes unit requests
Hearings
CHE request to F&C
Receive informational copy of request to F&C
Receives informational copy of request to CHE
Requests by institutional boards to F&C
Reviews and analyzes institutional and CHE requests
Prepares tentative budget and recommendations for governor
Governor makes budget decisions,
F&C prepares governor's budget and budget bill and submits these to legislature
Reviews and analyzes governor's budget
Provide testimony on governor's budget
Provides testimony on governor's budget
Provides testimony on governor's budget
Hearings by joint appropriations committee, reports out budget bill
F&C offers technical advice to legislature
Both houses separately consider and pass budget bill
Legislature passes budget bill
Governor signs or line-item vetoes budget bill

FLORIDA (1974–75)

IN GENERAL

Formulation of higher education operating budgets in Florida is characterized by: (1) an unusual governance structure, with a single governing board and chancellor for the senior public institutions, and a separate board for the community colleges, with both boards under an elected Commissioner of Education; (2) use for the last five to six years of an extensive productivity-based formula which generates approximately 80 to 90 percent of the budget requests of the senior institutions; (3) a reasonably even division of influence and power among the various state-level agencies involved in budgeting; and (4) a recently inaugurated "Programs of Distinction" plan, whereby resources beyond those generated by formula are allocated to designated disciplines. Florida has an annual budget with a fiscal year beginning on July 1. The responsible state agencies are:

Executive Branch: The Division of Budget, Department of Administration (DOA) has a professional staff of 29, four of whom are responsible for higher education operating budgets.

Legislative Branch: The House Appropriations Committee has a professional staff of 10, one of whom is responsible for higher education operating budgets. The Senate Ways and Means Committee has a professional staff of 10, one of whom is responsible for higher education operating budgets.

Major State Higher Education Agency: The Board of Regents (BOR) of the State University System of Florida (SUSOF) has a professional staff of 43, 11 of whom have responsibility for higher education operating budgets.

HIGHER EDUCATION COORDINATION AND GOVERNANCE

The BOR is a consolidated governing board which reviews and approves campus budget requests, and prepares and submits a consolidated budget to the Department of Education (DOE), the State Board of Education, the governor, and the legislature. BOR is responsible for governance and coordination of five four-year universities and four junior/senior level institutions. BOR is one of four divisions in DOE and reports to an elected commissioner and the Board of Education. The Board of Education is composed of the governor and six elected state officials, with the governor serving as chairman. The six officials are members of the governor's cabinet. SUSOF is a state agency subject to all state regulations. The 28 community colleges are coordinated by a single board which is one of the four divisions in DOE. The community colleges have local boards, yet are fully state funded on the basis of a cost-per-student formula. The community colleges are not subject to the same state controls as SUSOF.

MAJOR ELEMENTS OF BUDGETARY PROCESS

Presubmission Activity: Budget instructions are issued to BOR by DOA in late July. DOA emphasis is on format, but the instructions do include guidelines for inflation factors, replacement costs, and the like. DOE issues instructions and guidelines which are supplemental to those issued by DOA. In May DOA gives BOR staff an estimate of the state general revenues. A PPB committee, with one representative from each institution, meets 15 to 20 times each year to discuss budgetary procedures. The committee is advisory to the chancellor. A PPB subcommittee on enrollments makes forecasts of total SUSOF enrollments. The institutions adjust their forecasts to fit the total. Another PPB subcommittee on budget preparation develops guidelines and formats for use within SUSOF.

Budget Requests: SUSOF generates a total budget request for all institutions, employing formulas and data supplied by campuses. Institutions are given budget base figures, so that their requests to BOR staff in June or July include only requested increases over the base amount. The institutions do not submit a comprehensive budget request, but instead submit a narrative listing of issues, special problems, proposed program changes, and priorities that are negotiated with SUSOF. Institutions had been required to submit six-year plans, but this exercise has been abandoned effective with the FY 1975-76 cycle. Priorities set by the university presidents are documented between July and September using the institutional staffs as a resource. The legislature has mandated the use of the NCHEMS/PCS format for the BOR request. Individual institutions are not identified in the Education and General (E&G) portion of BOR recommendations. The E&G request represents the major portion of the budget. DOA receives a preliminary budget in October, makes changes, and returns it to BOR for correction. The BOR request is reviewed by DOE and presented to the Board of Education in October, prior to final submission to DOA by November 1. The legislature receives copies of the request at this time.

Review and Analysis: BOR builds a budget base largely with the aid of formulas. BOR reviews new programs, then decides upon a dollar total that would be available for new or expanded programs over and above what the formula generates. Productivity criteria are used to eliminate on-going programs. In general, productivity factors and workload coefficients have remained reasonably constant. DOE staff read all budgets for consistency, mathematical accuracy, and readability. The focus of DOE review is on dollar totals; it is not a substantive review, and DOE staff usually do not make changes on issues. DOA first conducts a preliminary analysis, checking the technical accuracy of the BOR requests. DOA relies upon the latest fall enrollments for its work, and uses these to adjust BOR figures if necessary. Issue papers are prepared, and a policy group within DOA makes decisions on the issues identified and provides DOA analysts with guidelines for further evaluation. DOA staff do not look at data from individual institutions; for information needs DOA deals primarily with BOR staff. The House Appropriations Committee staff start with the BOR request and, from their own data, develop their recommendations. The Senate Ways and Means Committee staff prepare an analysis of the agency request and the governor's recommendation for each budget entity, identifying decision points and/or major policies and issues and dollar implications. These analyses are presented to the subcommittee responsible for education budgets for its consideration, action, and recommendations. The staff do not make explicit recommendations.

Hearings: BOR staff budget hearings between the chancellor and the university presidents are usually held in late July and last at least two days. BOR staff are present and make presentations by budget program. Institutional staffs are also present. Priorities are set and voted upon by the presidents. The chancellor and president develop a gross estimate of need, based upon student-driven models, inflation factors, and special needs. The institutions are not involved in any hearings after these negotiations with BOR staff. In December or January DOA holds a conference with high-level officials from both BOR and DOA staffs; these negotiations are an opportunity for the BOR staff to plead their case for programs eliminated or reduced during budget review. The governor holds public hearings early in January.

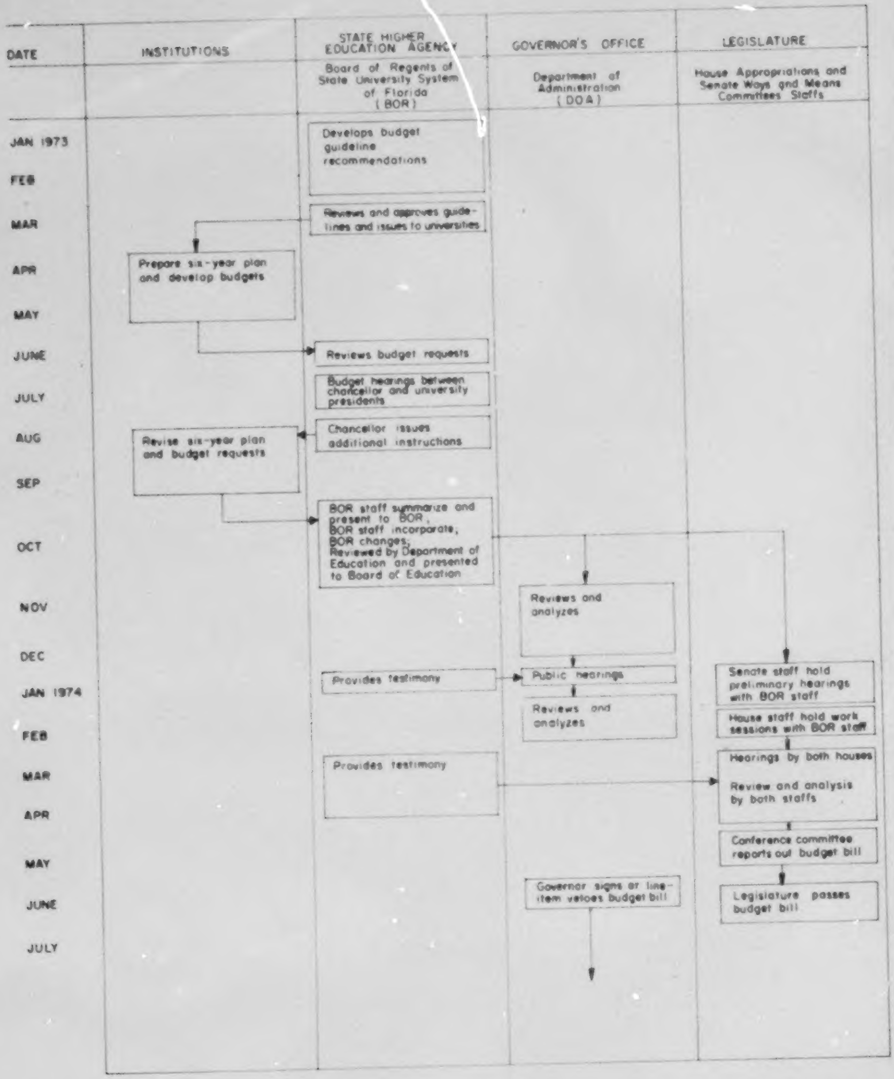
Governor's Budget: The governor's budget is submitted to the legislature in March. The budget is in program format: Education and General (E&G) is the major budget entity with 13 major components, e.g. Instruction and Research Activities, Administrative Support, Physical Plant Management. The E&G entity, however, is summarized by object of expenditure, e.g. salaries, other personal services, expenses, operating capital outlay, special categories. In addition to the primary E&G entity, there are seven other entities, mostly consisting of organizations such as schools of medicine, the engineering experiment station, and the agricultural experiment stations and extension service. There is no narrative justification, but DOA changes in the BOR request are shown.

Legislative Hearings: A subcommittee of the Senate Ways and Means Committee holds preliminary hearings with Board of Regents' staff in December or January. These hearings are structured to determine the impact of actions taken by the prior legislature on institutional operations, to review the current legislative request and to identify major problems, policies, and issues of special interest to the Board of Regents or the subcommittee. The hearings generally are not adversary in nature. DOA staff are present. BOR staff determine which institutional staff shall attend. The House Appropriations Committee subcommittees and staff hold daily meetings with BOR staff two or three weeks before legislative sessions and begin to focus on key issues. Because of the personalities involved in 1974-75, this did not, in fact, occur. All sessions are open to the public. Both houses hold hearings in March or April, when testimony is presented by BOR, DOE, and DOA staffs.

Budget Bill: Each house passes a budget bill. A conference committee negotiates the final bill. There is a single consolidated bill for all state activity. Funds are appropriated within the E&G program according to object of expenditure. The number of allowable positions is also indicated. The appropriation is made to SUSOF. Accompanying the budget bill is a statement of legislative actions and comments.

Control and Veto: Legislative control is exercised partially through the expression of intent in statements accompanying the budget bill. The legislature appropriates positions; DOA maintains rigid position controls. Legislative intent also sets the growth rates for enrollments at the "beginning graduate" and "advanced graduate" levels. The governor has line-item veto authority but cannot reduce items within lines. His veto powers have a marginal impact on action, because it is rarely practical to veto an entire line of the SUSOF appropriation.

FLORIDA HIGHER EDUCATION OPERATING BUDGET FLOW CHART (1974-75 BUDGET)


DATE
INSTITUTIONS
STATE HIGHER EDUCATION AGENCY
GOVERNOR'S OFFICE
LEGISLATURE
Board of Regents of State University System of Florida (BOR)
Department of Administration (DOA)
House Appropriations and Senate Ways and Means Committees Staffs
JAN 1973
FEB
MAR
APR
MAY
JUNE
JULY
AUG
SEP
OCT
NOV
DEC
JAN 1974
FEB
MAR
APR
MAY
JUNE
JULY
Develops budget guideline recommendations
Reviews and approves guidelines and issues to universities
Prepare six-year plan and develop budgets
Reviews budget requests
Budget hearings between chancellor and university presidents
Chancellor issues additional instructions
Revise six-year plan and budget requests
BOR staff summarize and present to BOR, BOR staff incorporate, BOR changes; Reviewed by Department of Education and presented to Board of Education
Reviews and analyzes
Provides testimony
Public hearings
Reviews and analyzes
Senate staff hold preliminary hearings with BOR staff
House staff hold work sessions with BOR staff
Provides testimony
Hearings by both houses
Review and analysis by both staffs
Conference committee reports out budget bill
Governor signs or line-item vetoes budget bill
Legislature passes budget bill

HAWAII (1973–75 Biennium)

IN GENERAL

Formulation of higher education operating budgets in Hawaii is characterized by: (1) the small number of institutions composing public higher education; (2) a high degree of centralization made possible by the consolidation of all institutions into the University of Hawaii System; and (3) the use of legislatively mandated PPB procedures and formats which relate requests for state funds to program outcomes and to six-year program plans. Hawaii has a biennial budget with the fiscal biennium beginning July 1 of odd-numbered years. The responsible state agencies are:

Executive Branch: The Department of Budget and Finance (B&F) has a staff of 36, four of whom are responsible for higher education operating budgets.

Legislative Branch: Hawaii does not have a joint legislative fiscal staff. The Senate Ways and Means Committee has a staff of six, of which the equivalent of one-half of one full-time staff member has higher education budget responsibility. The House Finance Committee has a staff of five, of which one and one-half full-time equivalents have such responsibility. Most of the legislative staff for higher education serve only while the legislature is in session. The Legislative Auditor has a staff of 25, two of whom have specific responsibilities in higher education. Although he does not have budget responsibilities, the Auditor influences higher education budget development through revisions of the state program structure, specification of output and effectiveness measures, and execution of performance audits on higher education.

State Higher Education Agency: The University of Hawaii Central Administration (UOH Central) has a staff of more than 80, six of whom are responsible for higher education operating budgets.

HIGHER EDUCATION COORDINATION AND GOVERNANCE

The Regents, as a consolidated governing board, review campus budget requests and prepare and submit an aggregated budget to B&F. The Regents govern one university, one four-year college, and seven two-year colleges. The two-year colleges are budgeted in the same manner as the four-year campuses; they receive no local funds.

MAJOR ELEMENTS IN BUDGETARY PROCESS

Presubmission Activity: Starting in January of even-numbered years, UOH Central develops prospective campus budget ceilings using a task force of central and campus administrators. Ceilings were determined for FY 1973-75 relying heavily on raising low-quality, low-cost programs to the system average. B&F reviews the state program structure and issues budget instructions to UOH Central.

Regents' Requests: The UOH request, submitted in June to B&F, is in WICHE/NCHEMS PCS format with each program disaggregated into four operating cost categories. In the UOH request, the eight campus budgets are displayed identically. The request covers a six-year period with the first two years composing the biennial budget request. Justifications are arrayed for each program in a standard format which includes program objectives, target group, client group, measures of effectiveness, program activities, and kinds of resources required.

Review and Analysis: Review of the UOH request by B&F begins in July and is restricted principally to the first two years of the six-year program plan. Ordinarily this review focuses on requested changes in programs, but for the 1973-75 biennium the revenue outlook necessitated that primary attention be given to matching the UOH budget with available resources. Hence B&F review focused incrementally on object-of-expenditure details with some attention given to equalizing major program costs among campuses. B&F review culminates in the preparation of Program Memoranda on each of 11 state programs. These documents are intended to be the analytical base for decision by the governor and the legislature.

B&F Hearings: During B&F review, the director of B&F holds staff hearings in September with the UOH President on the UOH six-year program plan and the biennial request. At these hearings UOH formally responds to B&F recommendations.

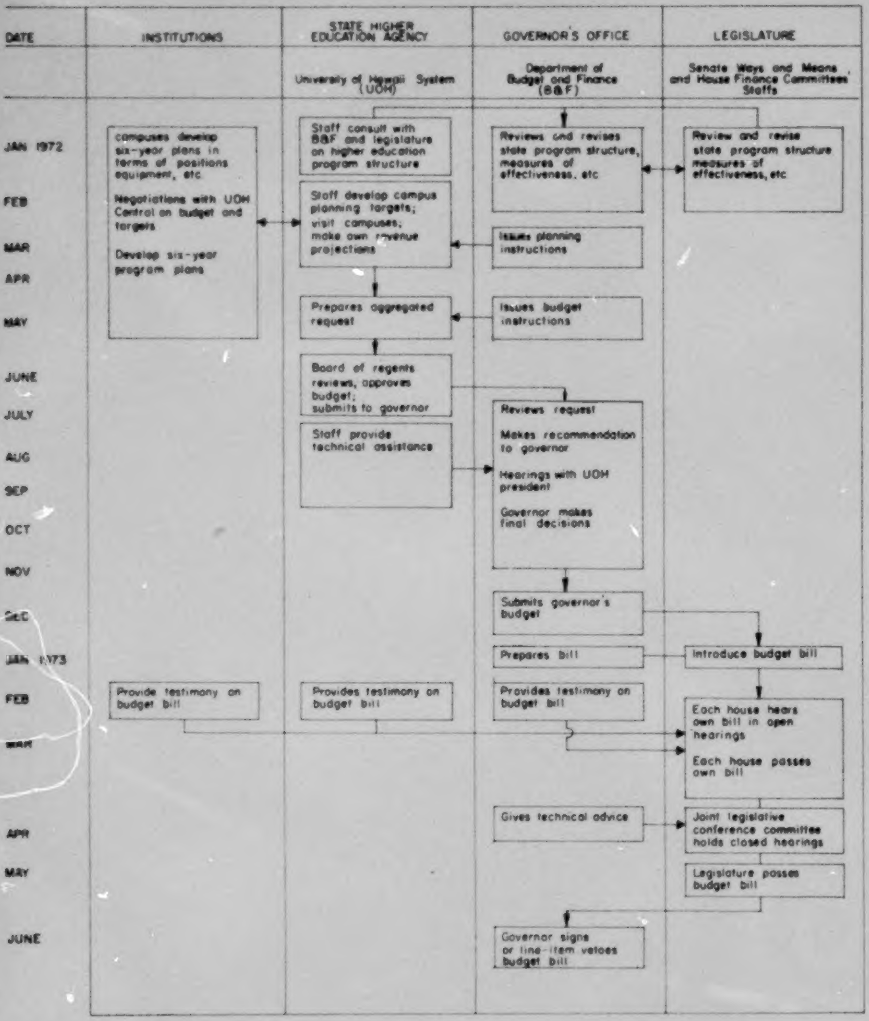
Governor's Budget: The governor's budget, submitted in December, is in WICHE/NCHEMS PCS format for each campus. It contains total positions as well as operating and capital costs by program for the biennium. The budget contains no narrative justification.

Legislative Hearings: The Senate Ways and Means and House Finance Committees hold separate hearings with UOH Central Staff on the governor's budget recommendations beginning in February. B&F staff are not present.

Budget Bill: B&F drafts the budget bill. Funds are appropriated by PCS category by campus with transfers among campuses and programs generally allowed with few restrictions. The bill contains little control language.

Control and Veto: Budgetary control of appropriations is exercised by B&F for the governor. Because of revenue shortfalls in recent years, the governor commonly has held allotments below the level of appropriations for state agencies. The governor has line-item veto authority, but has not used the veto on higher education budget matters.

HAWAII HIGHER EDUCATION OPERATING BUDGET FLOW CHART (1973-75 BUDGET)


DATE
INSTITUTIONS
STATE HIGHER EDUCATION AGENCY
University of Hawaii System (UOH)
GOVERNOR'S OFFICE
Department of Budget and Finance (B&F)
LEGISLATURE
Senate Ways and Means and House Finance Committees' Staffs
JAN 1972
FEB
MAR
APR
MAY
JUNE
JULY
AUG
SEP
OCT
NOV
DEC
JAN 1973
FEB
MAR
APR
MAY
JUNE
campuses develop six-year plans in terms of positions equipment, etc
Negotiations with UOH Central on budget and targets
Develop six-year program plans
Staff consult with B&F and legislature on higher education program structure
Staff develop campus planning targets; visit campuses; make own revenue projections
Prepares aggregated request
Board of regents reviews, approves budget; submits to governor
Staff provide technical assistance
Reviews and revises state program structure, measures of effectiveness, etc
Review and revise state program structure measures of effectiveness, etc
Issues planning instructions
Issues budget instructions
Reviews request
Makes recommendation to governor
Hearings with UOH president
Governor makes final decisions
Submits governor's budget
Prepares bill
Introduce budget bill
Provide testimony on budget bill
Provides testimony on budget bill
Provides testimony on budget bill
Each house hears own bill in open hearings
Each house passes own bill
Gives technical advice
Joint legislative conference committee holds closed hearings
Legislature passes budget bill
Governor signs or line-item vetoes budget bill

ILLINOIS (1974–75)

IN GENERAL

Formulation of higher education operating budgets in Illinois is characterized by: (1) a high degree of overt, partisan, political activity and awareness; (2) a tradition of general acceptance of recommendations of the coordinating agency by other state agencies; (3) preparation of separate budget bills by each of the five higher education systems and the separate enactment of these bills; and (4) the lack of both formal and informal relationships among executive, legislative, and coordinating agency staff. Illinois has an annual budget with a fiscal year beginning July 1. The responsible state agencies are:

Executive Branch: The Bureau of the Budget (BOB) has a staff of 62, three of whom are responsible for higher education operating budgets.

Legislative Branch: Each fiscal committee has a separate staff, and each staff is further divided between majority and minority staffs. Of the four committee staffs, only two have analysts with full-time higher education assignments.

State Higher Education Agency: The Illinois Board of Higher Education (BHE) has a professional staff of 27, five of whom are responsible for higher education operating budgets.

HIGHER EDUCATION COORDINATION AND GOVERNANCE

BHE is a coordinating agency with budgetary authority. It receives institutional budget requests on forms which it prescribes and prepares, and presents formal recommendations to the governor and legislature. It is responsible for the coordination of 13 four-year colleges and universities, the governance of which is divided among four multicampus governing boards. Two of the multicampus systems receive appropriations as systems. Thirty-seven two-year colleges are locally governed, coordinated by a statewide board, and receive state support through flat grants.

MAJOR ELEMENTS OF BUDGETARY PROCESS

Presubmission Activity: Budget instructions are issued by BHE in March based on Resource Allocation and Management Procedures (RAMP), a system designed to integrate current budget requests with multi-year planning of capital and operating expenditures, and to provide an ongoing information base. Target figures sometimes are provided by BOB to BHE. Legislative committee staff members generally visit most institutions prior to submission of budgets to determine institutional priorities. BOB staff visit every institution in the state.

Budget Requests: Requests are submitted to BHE by system in September, with amounts for each campus clearly identified. Requests contain substantial narrative justification and, in some instances, detailed analytic justification for particular needs, e.g. faculty salaries. BOB has access to campus requests but does not receive a formal submission.

Review and Analysis: Procedures and emphases differ substantially among the three responsible review agencies. BHE relates new program requests to planning objectives, compares instructional costs, workload, and salaries among institutions within multicampus sytems, and revises requests to achieve equity and parity. BHE also adjusts base budgets according to enrollment changes.

The BOB review beginning in December focuses on BHE recommendations, not institutional requests. However, BOB begins some analysis in September by anticipating BHE. BOB examines these recommendations on the basis of comparative in-state and across-state instructional costs and of anticipated state revenues. Legislative committee staffs reconcile institutional budget requests and priorities with BHE recommendations, the governor's budget, and the appropriation bills. Analysis by legislative committee staffs has been limited in the past by the late introduction of appropriation bills. Instructional cost formulas are no longer used by state agencies in Illinois. BHE uses the current phase of the Higher Education Master Plan to some extent as a guide for reviewing new academic programs. It does not appear to be used in budgetary review by BOB or the committee staffs.

BHE Hearings: Formal BHE hearings in December are preceded by extensive staff negotiations. Emphasis at the hearings is on obtaining consensus among all systems on the appropriate allocation among them, based on BHE staff recommendations. BOB and legislative committee staff may attend these hearings but do not participate. BOB does not hold staff hearings.

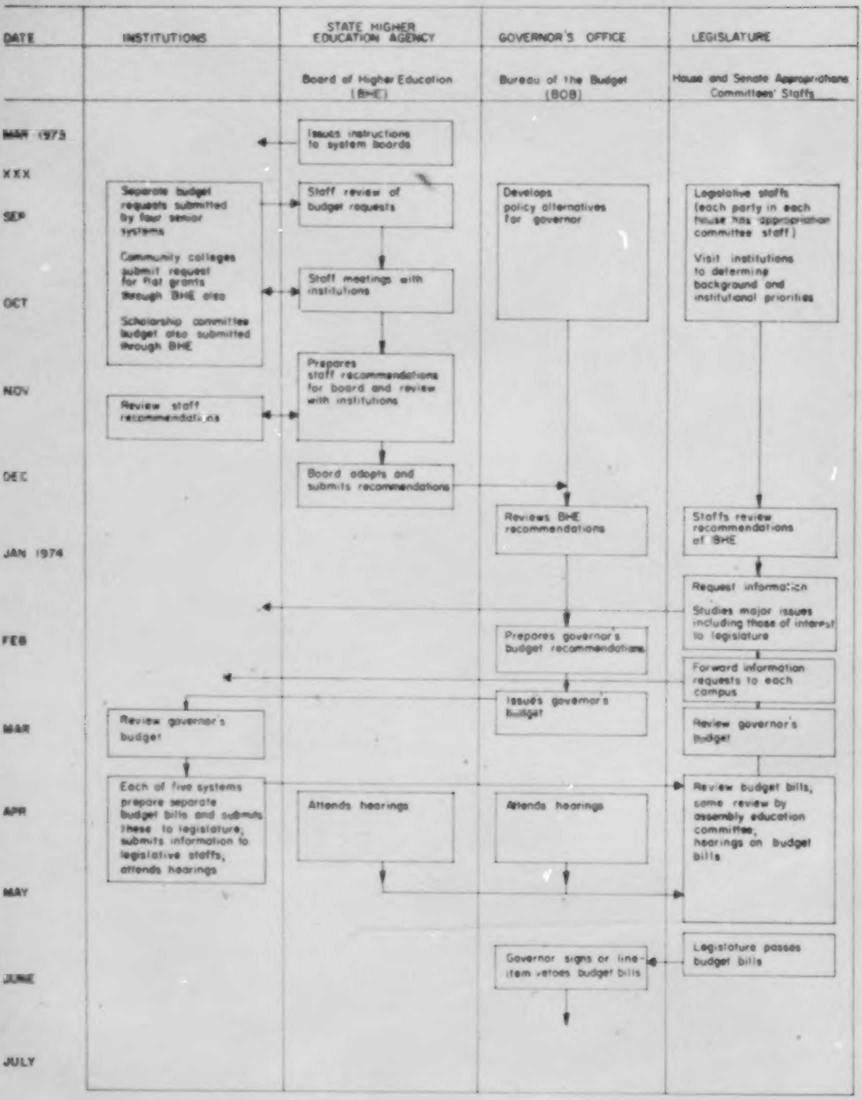
Governor's Budget: The governor's budget, submitted in March, requests funds for higher education both by function, e.g. Instruction, Organized Research, and by 11 or 12 objects of expenditure, depending on the particular institution. Campus requests for the University of Illinois and Southern Illinois University are consolidated into two system requests. Campus requests for the Board of Governors and the Board of Regents are aggregated into two system requests. The governor's budget contains some narrative justification and does not offer quantitative or analytic justification. The governor's budget for FY 1974-75 was the first to include a significant amount of cost information.

Legislative Hearings: Beginning in March, each house of the legislature hears individual appropriations bills drafted by the multicampus systems. Hearings are generally brief. Committees of the legislature do not meet in executive sessions. Staff and interested legislators meet with campus, system and BHE representatives to review the budget. From these meetings staff recommendations are offered and discussed with the committee members. They are normally offered at committee hearings in the form of amendments to the appropriations bills and discussed in open committee hearings and on the floor of the house.

Budget Bill: Institutionally drafted and submitted budget bills generally adhere to the governor's budget, but may follow BHE recommendations or include specific institutional needs. The identification of campuses is the same as in the governor's budget. Appropriations are by 11 or 12 objects of expenditure.

Control and Veto: The appropriation bills do not contain riders or other control language. A general statutory provision restricts transfers to less than two percent of funds within an object of expenditure. The legislative committees do not issue reports on the budget. The governor has line-item veto authority and can reduce appropriations within lines.

ILLINOIS HIGHER EDUCATION OPERATING BUDGET FLOW CHART (1974-75 BUDGET)


DATE
INSTITUTIONS
STATE HIGHER EDUCATION AGENCY
GOVERNOR'S OFFICE
LEGISLATURE
Board of Higher Education (BHE)
Bureau of the Budget (BOB)
House and Senate Appropriations Committees' Staffs
MAR 1973
XXX
SEP
OCT
NOV
DEC
JAN 1974
FEB
MAR
APR
MAY
JUNE
JULY
Issues instructions to system boards
Separate budget requests submitted by four senior systems
Community colleges submit request for flat grants through BHE also
Scholarship committee budget also submitted through BHE
Staff review of budget requests
Develops policy alternatives for governor
Legislative staffs (each party in each house has appropriation committee staff)
Visit institutions to determining background and institutional priorities
Staff meetings with institutions
Prepares staff recommendations for board and review with institutions
Review staff recommendations
Board adopts and submits recommendations
Reviews BHE recommendations
Staffs review recommendations of BHE
Request information
Studies major issues including those of interest to legislature
Prepares governor's budget recommendations
Forward information requests to each campus
Issues governor's budget
Review governor's budget
Review governor's budget
Each of five systems prepare separate budget bills and submits these to legislature; submits information to legislative staffs, attends hearings
Attends hearings
Attends hearings
Review budget bills; some review by assembly education committee; hearings on budget bills
Governor signs or line-item vetoes budget bills
Legislature passes budget bills

KANSAS (1974-75)

IN GENERAL

Formulation of higher education operating budgets in Kansas is characterized by: (1) major responsibility for analysis and review of budget requests for four-year institutions resting with the Kansas Board of Regents (BOR); (2) an influential role in development of budget practices and higher education planning performed by the Council of Chief Academic Officers (CCAO); (3) a dual role played in the past by analysts in the Division of Budget (DOB) as staff to both the governor and to the legislature; and (4) the emergence of a joint legislative fiscal staff. The responsible state agencies are:

Executive Branch: The Division of Budget (BOB) of the Department of Administration has a professional staff of 15, one of whom is responsible for higher education operating budgets.

Legislative Branch: The Senate and House Ways and Means Committees have not had their own staff. Two persons have recently been appointed to provide them with staff assistance for the coming year, one with considerable higher education budgeting experience.

Major State Higher Education Agency: The Board of Regents (BOR) has a professional staff of five, one of whom is responsible for higher education operating budgets. BOR's major advisory group is the Council of Presidents of the six senior institutions.

HIGHER EDUCATION COORDINATION AND GOVERNANCE

The Board of Regents is a constitutionally established agency. It has authority for reviewing and making recommendations on the budgets of public four-year institutions, but no responsibility for community college budgets. CCAO and the Council of Presidents work closely with the BOR staff in the development of budget policies and instructions. CCAO prepared the state higher education plan and conducted program reviews. BOR governs three universities and three state colleges, including the University of Kansas Medical Center. The Department of Education (DOE) coordinates 19 community junior colleges and one technical institute. The community colleges receive a portion of their funds from the state through a grant primarily based on estimated credit hour production.

MAJOR ELEMENTS OF BUDGETARY PROCESS

Presubmission Activity: A budget instruction manual and forms, developed by BOR staff, incorporate the data requirements of DOB. Institutional staffs help develop budget instructions and help clarify issues that pertain to instructions. Discussions with campuses on budget policy start early in January. In April, BOR issues budget request guidelines to the institutions. Budget instructions for community colleges are developed by DOE in accordance with the statutory formula.

Budget Requests: Four-year institutions submit their budget requests to BOR in June. The formats for the four-year institutions' budget submissions vary somewhat, but show amounts by: (1) major programs; (2) salary increases, new positions in base programs, and new and expanded programs; (3) each new or expanded program or project; and (4) programs by sources of revenue. The requests contain a substantial amount of narrative justification, as well as quantitative data.

Review and Analysis: BOR staff analysis begins in June. BOR staff use a set of formulas as guides for determining their budget recommendations. Faculty salary costs are based on the number of positions, derived from specified student/faculty ratios, times average institutional faculty salaries. Classified salary costs are based on fixed ratios of classified positions to academic positions. Other cost increments are based on a standard allowance for each new enrollee. These ratios serve as guides for assessing the reasonableness of requests and are not employed to construct the institutions' budgets. There is some dissatisfaction with the formula used to analyze budgets, but past attempts to get agreement on a new formula have failed. The formula is also used by DOB to examine institutional budgets. DOB review beginning in September focuses on differences in costs among institutions and on selected areas or issues. Increases for new programs are given careful attention. The governor meets with DOB analysts to review their recommendations. Generally DOB has made minor changes in the BOR request. A conscious effort has been made to maintain the Regents' strong role in budget formulation and to maintain institutional flexibility. CCAO in conjunction with BOR staff has developed a state plan for higher education that defines institutional missions. It provides a general policy context for formulation of budgets.

Hearings: BOR holds one or two days of hearings with the presidents of institutions in July after BOR staff have completed their preliminary budget analysis. The hearings focus primarily on proposed increases. Following these hearings, BOR staff revise their budget recommendations. The governor holds two days of hearings in December after DOB staff have completed their initial analysis. The hearings are chaired by the Director of the Budget and focus primarily on recommendations made during the review of budgets by DOB. The governor actively participates in the hearings, which are attended by BOR staff and legislators from the Ways and Means Committees, as well as institutional staff.

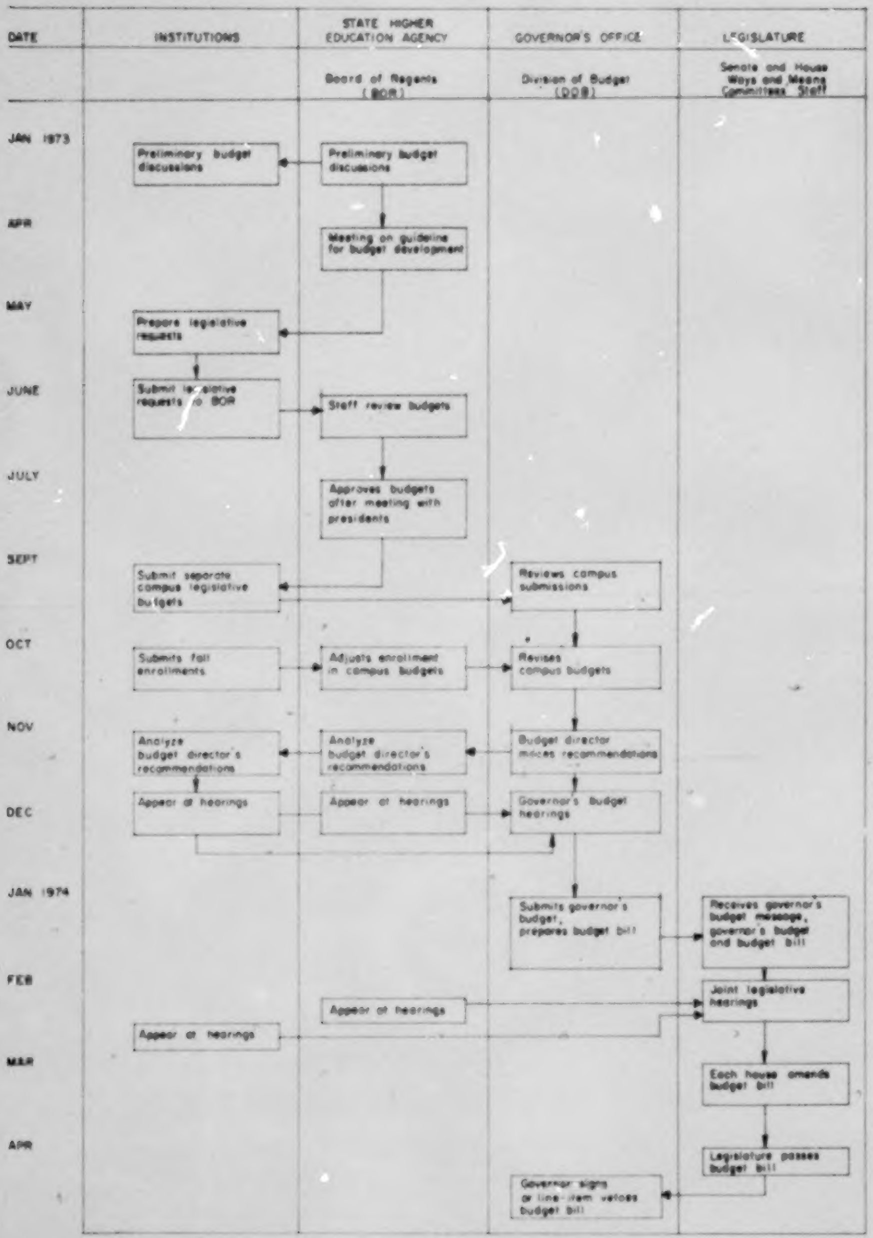
Governor's Budget: The governor's budget is published in three volumes in January. A summary budget volume contains considerable narrative description and justification of the budget request. A second more detailed budget volume contains a breakdown for each four-year institution by five program elements: (1) educational program; (2) organized research; (3) extension; (4) auxiliary enterprises; and (5) capital improvements. Within each one of these program elements a further disaggregation is made by five object-of-expenditure categories. The third volume compares the amounts in the proposed budget with amounts in the previous appropriation. It presents a limited narrative justification with extensive comparative tables.

Legislative Hearings: The legislative Ways and Means Committees hold joint hearings in February. The hearings run approximately one-half day per institution and provide additional opportunities for institutions to appeal cuts. Usually the presidents make written presentations.

Budget Bill: A single bill for all state operations is drafted by DOB. Appropriations are made directly to each institution showing lines for salaries and wages, supplemental retirement benefits, other operating expenditures, and each special project. Institutionally generated receipts are budgeted without limit.

Control and Veto: The appropriation act contains technical provisions regarding the use of funds but contains no statements of legislative policy. Legislative intent is expressed in subcommittee reports issued by both the Senate and House Ways and Means Committees. The governor has line-item veto authority. He cannot reduce a line item alter the language in an appropriation bill.

KANSAS HIGHER EDUCATION OPERATING BUDGET FLOW CHART (1974-75 BUDGET)


DATE
INSTITUTIONS
STATE HIGHER EDUCATION AGENCY
GOVERNOR'S OFFICE
LEGISLATURE
Board of Regents (BOR)
Division of Budget (DOB)
Senate and House Ways and Means Committees Staff
JAN 1973
APR
MAY
JUNE
JULY
SEPT
OCT
NOV
DEC
JAN 1974
FEB
MAR
APR
Preliminary budget discussions
Preliminary budget discussions
Meeting on guideline for budget development
Prepare legislative requests
Submit legislative requests to BOR
Staff review budgets
Approves budgets after meeting with presidents
Submit separate campus legislative budgets
Reviews campus submissions
Submits fall enrollments
Adjusts enrollment in campus budgets
Revises campus budgets
Analyze budget director's recommendations
Analyze budget director's recommendations
Budget director makes recommendations
Appear at hearings
Appear at hearings
Governor's budget hearings
Submits governor's budget, prepares budget bill
Receives governor's budget message, governor's budget and budget bill
Joint legislative hearings
Appear at hearings
Appear at hearings
Each house amends budget bill
Legislature passes budget bill
Governor signs or line-item vetoes budget bill

MICHIGAN (1974–75)

IN GENERAL

Formulation of higher education operating budgets in Michigan is characterized by: (1) the considerable autonomy of the institutions; (2) the ambiguity of state agency functions in budget review, resulting from the constitutional status of the public higher education institutions; (3) the uncertain division of responsibilities among the state agencies that review higher education budgets; and (4) the sizeable effort of the legislature to monitor campus operations through routine information submissions. Michigan has an annual budget with the fiscal year beginning July 1. The responsible state agencies are:

Executive Branch: The Bureau of the Budget (BOB) in the Department of Management and Budget has a staff of 30, four of whom have responsibility for higher education operating budgets.

Legislative Branch: Each house has a fiscal agency staff that serves its Appropriations Committee. The Senate Fiscal Agency (SFA) has a staff of 12, two of whom have higher education budget responsibility. The House Fiscal Agency (HFA) has a staff of 12, one of whom has such responsibility.

State Higher Education Agency: The Higher Education and Adult Continuing Education Office of the Department of Education (DOE) has a staff of six, one of whom has responsibility for higher education operating budgets.

HIGHER EDUCATION COORDINATION AND GOVERNANCE

DOE is a coordinating agency with statutory authority for general planning and coordination of public higher education and advising on the financial requirements of higher education institutions. However, a series of court decisions on ambiguous sections of the 1963 state constitution has resulted in DOE's actually exercising only a limited coordination role. Each of the 13 four-year colleges and universities has its own governing board, and 29 junior and community colleges have local governing boards in addition to a single state community college board. The two-year colleges receive local support, but request state funds in essentially the same manner as the four-year institutions.

MAJOR ELEMENTS OF BUDGETARY PROCESS

Presubmission Activity: In April BOB issues to all agencies a set of Program Guidelines (PPGs) that delineate issues and priorities by state program for the coming budget cycle. The institutions respond by submitting Program Revision Requests (PRRs). These are discussed informally with BOB staff prior to submission of separate base budgets. In September, shortly before the budget submission is due, BOB sends out formal instructions specifying information requirements.

Legislative fiscal staff make frequent visits to institutions during August and September.

Budget Requests: Each campus submits a request for state appropriations with the base budget request in WICHE/NCHEMS PCS program format and with the PRRs separately identified. All programs and PRRs are shown by objects of expenditure. The requests are supported with data on enrollments, credit hours, degrees, positions, and salaries. Requests are submitted to BOB, but are forwarded simultaneously to DOE and the legislative fiscal staffs. Prior to their own review, legislative fiscal committees have required additional lengthy information submissions from each institution. For FY 1975-76 BOB and the legislative fiscal staffs have achieved some coordination of information submissions.

Review and Analysis: BOB budget review for FY 1974-75, begun in October, was incremental and structured by programs. Their review focused on the institutional PRRs using analyses of costs by object-of-expenditure classification and by fund source. In most instances base budget requests were approved by BOB at the level of current year's expenditures. Information submitted to the legislative fiscal agencies in January is used principally in preparation of a net state appropriations tracking summary. This summary relates state appropriations to organizational units rather than program structures. The legislative fiscal agencies use this summary as the framework for reviewing institutional base budgets and the budgets for program changes. In preparing its recommendations on financial requirements, DOE relies on formulas to emphasize equity considerations.

Executive Hearings: BOB recommendations for individual campuses are usually made known to the institutions in individual hearings with the Director of Management and Budget in November. Later the governor meets with the presidents of all institutions in groups of three to five to discuss final recommendations.

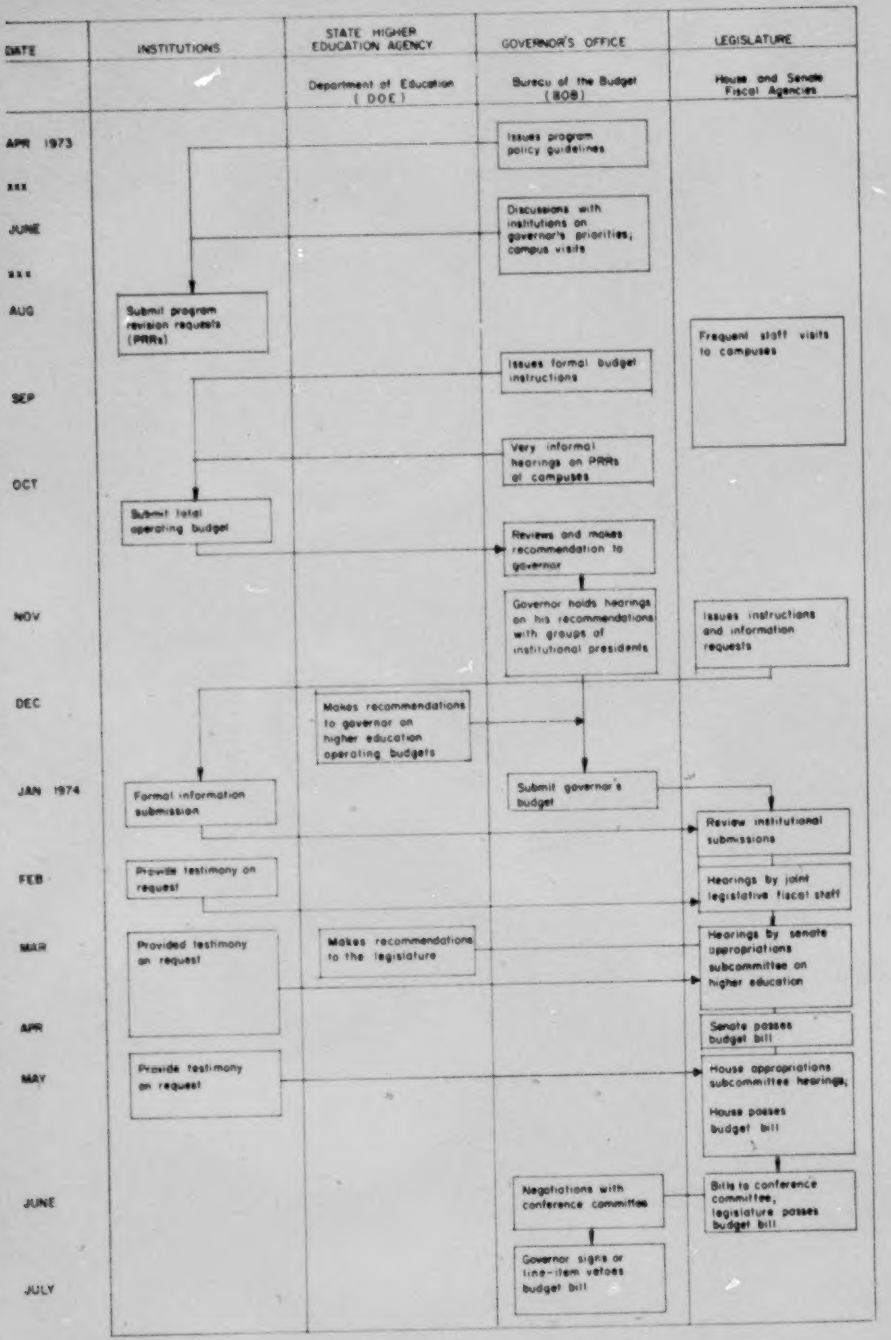
Governor's Budget: The governor's budget, submitted in January, displays individual campus recommendations in WICHE/NCHEMS PCS format with Instruction broken out into 12 subaggregates of the HEGIS taxonomy and Financial Aid separated from Student Services. Explanations of incremental budget changes and of historical enrollment data are included for each institution. Budget narrative and justification are limited.

Legislative Hearings: Hearings with the president and staff of each of the 44 institutions are held from January through April by both fiscal committees. Traditionally the Senate originated the higher education budget bills and held its hearings first. The House worked from bills passed by the Senate and tended to work within the framework established by Senate staff review. For the FY 1974-75 budget cycle, House hearings were moved ahead of the Senate hearings, but this practice is not expected to continue. BOB and DOE staff attend these hearings, but rarely participate. Committee members rely on issue papers and analyses of alternatives prepared by the staff in addition to the tracking summary.

Budget Bill: There are five budget bills for the operating and capital expenditures of public higher education. All are written by the Senate Appropriations Committee. The bill for four-year colleges and universities is in a modified WICHE/NCHEMS PCS program format. Libraries are broken out from General Support and Financial Aid from Student Services, with Instruction disaggregated according to the organizational structure of the individual campuses rather than by HEGIS disciplines. The community and junior college bill shows a lump sum for each campus.

Control and Veto: Control language in the budget bill is extensive, ranging from information reporting and auditing requirements to authorization of specific campus programs. Because of the constitutional status of the institutions, BOB controls only the total state appropriation to an institution. The legislature audits expenditures in relation to the legislative fiscal agency tracking summary, but there are no formal controls over these budget categories. The governor has line-item veto authority, but cannot reduce lines.

MICHIGAN HIGHER EDUCATION OPERATING BUDGET FLOW CHART (1974–75 BUDGET)


DATE
INSTITUTIONS
STATE HIGHER EDUCATION AGENCY
GOVERNOR'S OFFICE
LEGISLATURE
Department of Education (DOE)
Bureau of the Budget (BOB)
House and Senate Fiscal Agencies
APR 1973
xxx
JUNE
xxx
AUG
SEP
OCT
NOV
DEC
JAN 1974
FEB
MAR
APR
MAY
JUNE
JULY
Issues program policy guidelines
Discussions with institutions on governor's priorities; campus visits
Submit program revision requests (PRRs)
Frequent staff visits to campuses
Issues formal budget instructions
Very informal hearings on PRRs at campuses
Submit total operating budget
Reviews and makes recommendation to governor
Governor holds hearings on his recommendations with groups of institutional presidents
Issues instructions and information requests
Makes recommendations to governor on higher education operating budgets
Formal information submission
Submit governor's budget
Review institutional submissions
Provide testimony on request
Hearings by joint legislative fiscal staff
Provided testimony on request
Makes recommendations to the legislature
Hearings by senate appropriations subcommittee on higher education
Senate passes budget bill
Provide testimony on request
House appropriations subcommittee hearings; House passes budget bill
Negotiations with conference committee
Bills to conference committee, legislature passes budget bill
Governor signs or line-item vetoes budget bill

MISSISSIPPI (1974–75)

IN GENERAL

Formulation of higher education operating budgets in Mississippi is characterized by: (1) the absence of an executive budget; (2) a statewide fiscal staff under a joint executive-legislative commission; (3) a consolidated governing board request almost entirely generated by a comprehensive formula; (4) a lump sum appropriation to the consolidated board for allocation to institutions; and (5) analysis and allocation of the appropriation by the consolidated governing board with approval of the allocation by the joint commission prior to the beginning of the fiscal year. Mississippi has an annual budget with a fiscal year beginning July 1. The responsible state agencies are:

Executive/Legislative Branch: The Commission of Budgeting and Accounting (CBA) has a staff of six, two of whom are responsible for higher education operating budgets. Although the governor is a member of CBA, it is clearly responsible to the legislature.

State Higher Education Agency: The Mississippi Board of Trustees of State Institutions of Higher Learning (Trustees) has a staff of four professionals, two of whom are responsible for higher education operating budgets.

HIGHER EDUCATION COORDINATION AND GOVERNANCE

The Trustees, a consolidated governing board, review campus budget requests and prepare and submit a consolidated budget to CBA. The Trustees govern eight four-year colleges and universities. In addition, 16 locally governed two-year college districts with 25 campuses receive approximately 38 percent of their support from the state. Each two-year college district submits an individual budget to CBA. However, a lump-sum appropriation for all two-year colleges is made to a division of the Department of Education for allocation on the basis of enrollment.

MAJOR ELEMENTS OF BUDGETARY PROCESS

Presubmission Activity: CBA issues budget instructions to the institutions in June. Other presubmission activity is limited to formula computation and technical consultation regarding forms.

Review and Analysis: Review and analysis by Trustees' staff in September is based upon a formula utilizing student/faculty ratio by level of student. CBA staff review the appropriateness of student/faculty ratios and average faculty salaries used in the formula, as well as overall budget totals based on available revenues. CBA staff rely on Trustees' staff for information. The basis of the formula will be changed for the 1975-76 budget cycle and will become substantially more detailed. The instructional budget request will be generated on the basis of 1973-74 student credit hour costs by lower, upper, and graduate levels by field of study for three groupings of institutions.

Trustees' Hearings: In September the Trustees hear campus requests in approximately one-half day. Trustees are interested in both the functional allocation of campus requests and in the accuracy of formula computations.

Trustees' Request: Prior to FY 1974-75, requests were in functional format. For FY 1974-75, a line-item format prescribed by CBA was followed. The Trustees' request is submitted to CBA in September. Requests are shown by campus and also by a three-campus "university" cluster and a five-campus "college" cluster. Under the revised formula procedure there are three institutional categories: institutions with programs through the doctoral level, institutions with programs through the master's and educational specialist level, and institutions with no graduate level programs. Support for institutional programs representing approximately 90 percent of the Trustees' request is justified by a comprehensive formula which is based on the relationship between costs of instruction and the costs of other functions. Comparisons of state support are made between Mississippi and 14 SREB member states.

CBA Hearings: The Trustees' request is heard by CBA in approximately one-half day in October. It is presented by the Trustees' Executive

Director, but campus administrators are present to defend or explain particular requests. The emphasis is on the appropriateness of the formula.

CBA Budget Report: There is no governor's budget in Mississippi. However, in October CBA prepares a report to the legislature containing CBA recommendations. Although the report displays prior campus expenditures and current requests, CBA recommendations are on a consolidated basis for the system as a whole and are by five categories: Support for Institutional Programs, Organized Research, Libraries, Gulf Coast Research Laboratory, and matching Funds for Federal Sea Grants.

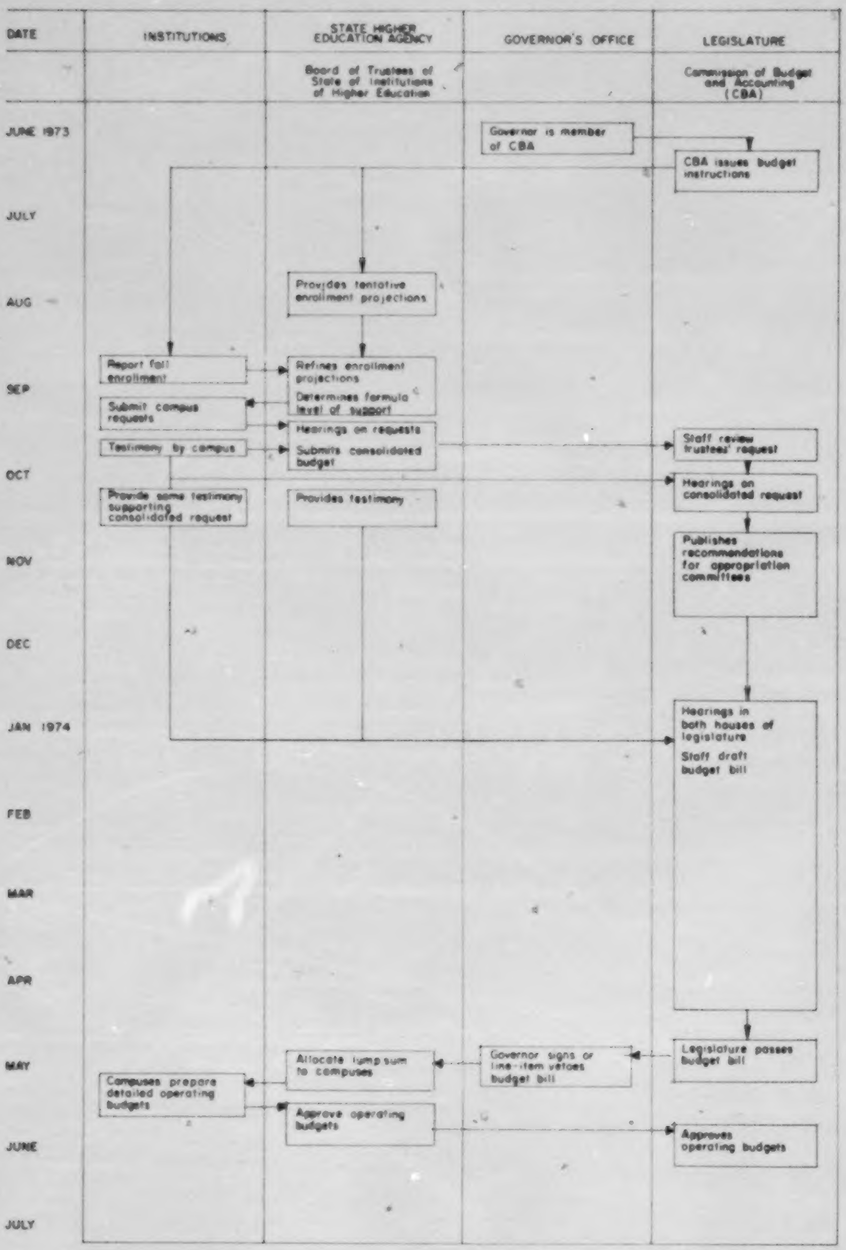
Legislative Hearings: The Trustees' request and CBA recommendations are heard by the Senate Finance and House Appropriations and Ways and Means Committees beginning in January. CBA staffs these committees. Hearings with the Trustees last about three hours with emphasis on the appropriateness of the formulas. Issues relating to individual campuses are rarely raised. Legislative interest in a specific campus is more often expressed in special bills.

Budget Bill: CBA staff draft the budget bill. The appropriation to the Trustees is essentially a lump sum. Approximately 90 percent of the funds are in a single line for Support of Institutional Programs. Appropriations are also made to the remaining four categories used in CBA recommendations.

Control and Veto: General control language specifying allowable tuition changes and required ceilings for institutionally generated funds appears in the budget bill. The governor has a line-item veto authority but cannot reduce appropriations within lines.

Trustees' Allocation: Following enactment of the consolidated budget, and before the beginning of the fiscal year, the Trustees allocate the appropriation among the campuses and develop operating budgets. Extensive budget analysis to develop institutional working budgets is required, because of the broad formula used in the development of the Trustees' request. Trustees' allocation and the operating budgets are approved by CBA prior to the beginning of the budget year.

MISSISSIPPI HIGHER EDUCATION OPERATING BUDGET FLOW CHART (1974-75 BUDGET)


DATE
INSTITUTIONS
STATE HIGHER EDUCATION AGENCY
GOVERNOR'S OFFICE
LEGISLATURE
Board of Trustees of State of Institutions of Higher Education
Commission of Budget and Accounting (CBA)
JUNE 1973
JULY
AUG
SEP
OCT
NOV
DEC
JAN 1974
FEB
MAR
APR
MAY
JUNE
JULY
Governor is member of CBA
CBA issues budget instructions
Provides tentative enrollment projections
Report fall enrollment
Refines enrollment projections
Determines formula level of support
Submit campus requests
Hearings on requests
Testimony by campus
Submits consolidated budget
Staff review trustees' request
Hearings on consolidated request
Provide some testimony supporting consolidated request
Provides testimony
Publishes recommendations for appropriation committees
Hearings in both houses of legislature
Staff draft budget bill
Legislature passes budget bill
Governor signs or line-item vetoes budget bill
Allocate lump sum to campuses
Campuses prepare detailed operating budgets
Approve operating budgets
Approves operating budgets

NEBRASKA (1974-75)

IN GENERAL

Formulation of higher education operating budgets in Nebraska is characterized by: (1) voluntary coordination with no coordinating agency or consolidated governing board for higher education; (2) a unicameral legislature; (3) intimate communication between the governor and the institutional heads, including campus officers; and (4) the use of indicators as a basis for appropriation decisions. Nebraska has an annual budget with a fiscal year beginning July 1. The responsible state agencies are:

Executive Branch: The Budget Division, Department of Administrative Services (DAS), has a professional staff of nine, four of whom are responsible for higher education operating budgets.

Legislative Staff: The Legislative Fiscal Office (LFO) has a professional staff of 12, four of whom are responsible for higher education operating budgets.

State Higher Education Agency: There is no coordinating agency or consolidated governing board. A recently established 1202 Commission has absorbed the student financial aid agency and the higher education facilities programs and is also charged with planning, but has not been active in the latter activity. The 1202 Commission has no budgetary review authority.

HIGHER EDUCATION COORDINATION AND GOVERNANCE

The Budget Division receives institutional budget requests and prepares and presents recommendations to the governor. Nebraska has two multicampus governing boards for four-year institutions: (1) the University of Nebraska, with three campuses (Lincoln, Omaha, and the Medical Center); and (2) the Board of Trustees of the Nebraska State Colleges, with four colleges (Chadron State, Kearney State, Peru State, and Wayne State). Only the University of Nebraska multicampus system plays a major role in budget formulation at the statewide level. Twelve two-year technical community colleges are grouped in six geographic areas; in areas with more than one college there is a central staff. Each area has a governing board. The area governing boards are coordinated by a statewide board, and receive state support through flat grants.

Presubmission Activity: Budget instructions and formats are issued to all state agencies by the Budget Division (DAS) in mid-July. The legislative fiscal staff meet with DAS staff as the budget instructions are prepared. All state agencies must submit requests covering a two-year period, although Nebraska has an annual cycle. DAS is currently developing supplementary instructions and forms for higher education. The governing board staffs issue additional instructions to individual institutions. No target figures are issued. The budget instructions include some inflation factors for all agencies. There are meetings between DAS staff and the institutions after instructions are issued, but prior to the submission of budget requests. Similarly, legislative fiscal staff visit campuses. Kearney State College is developing PPB guidelines which are expected to become the model for all institutions in Nebraska.

Institutional Budget Requests: Requests are submitted to the Budget Division. The Budget Division provides one copy of the requests to LFO. The due date for submission is September 15 by law, but most requests are not submitted until mid-October, to allow campuses to incorporate Fall enrollment data. The University of Nebraska aggregates its three campus requests into one document, with campuses clearly identified. The Board of Trustees of the State Colleges essentially binds together the four separate institutional requests, so that the requests are submitted under one cover. The University of Nebraska request has no narrative justification; the state colleges' requests have little narrative justification. In some instances there is detailed quantitative support for particular needs, e.g. faculty salaries. Budget requests are presented by functional categories.

Review and Analysis: The Budget Division analysis begins in October and focuses on increments to the base. In general, the DAS reviews enrollment projections, tuition and fee policies, the availability of federal funds and, in the case of the University of Nebraska's Lincoln campus, cost analyses. Budget bases are adjusted to enrollment changes. In the case of the state colleges, a formula is applied to incremental changes in enrollment to make changes in a "continuation budget." LFO also focuses on additions to the past year's budget, but is not formula-oriented. However, LFO analyzes state college requests in terms of reallocations within the continuation base to fund new and improved programs. An Areas of Excellence program at the University of Nebraska at Lincoln is supported by the legislature and is reviewed by LFO. LFO makes comparisons with other states, primarily the Big Eight states. LFO makes its budget recommendations in a formal document in January.

Hearings: DAS conducts informal negotiations with the campus chancellors and presidents that begin in the summer and continue through the Fall. DAS staff and campus staffs attend the negotiations. Emphasis at the hearings is on obtaining consensus on most items before budget requests are submitted. As a substitute for formal hearings, the governor maintains very close contact with the president of the University of Nebraska. In general, both DAS staff and the governor work with institutions on particular issues.

Governor's Budget: The governor's budget is submitted in January. The request for higher education support is by function, e.g.

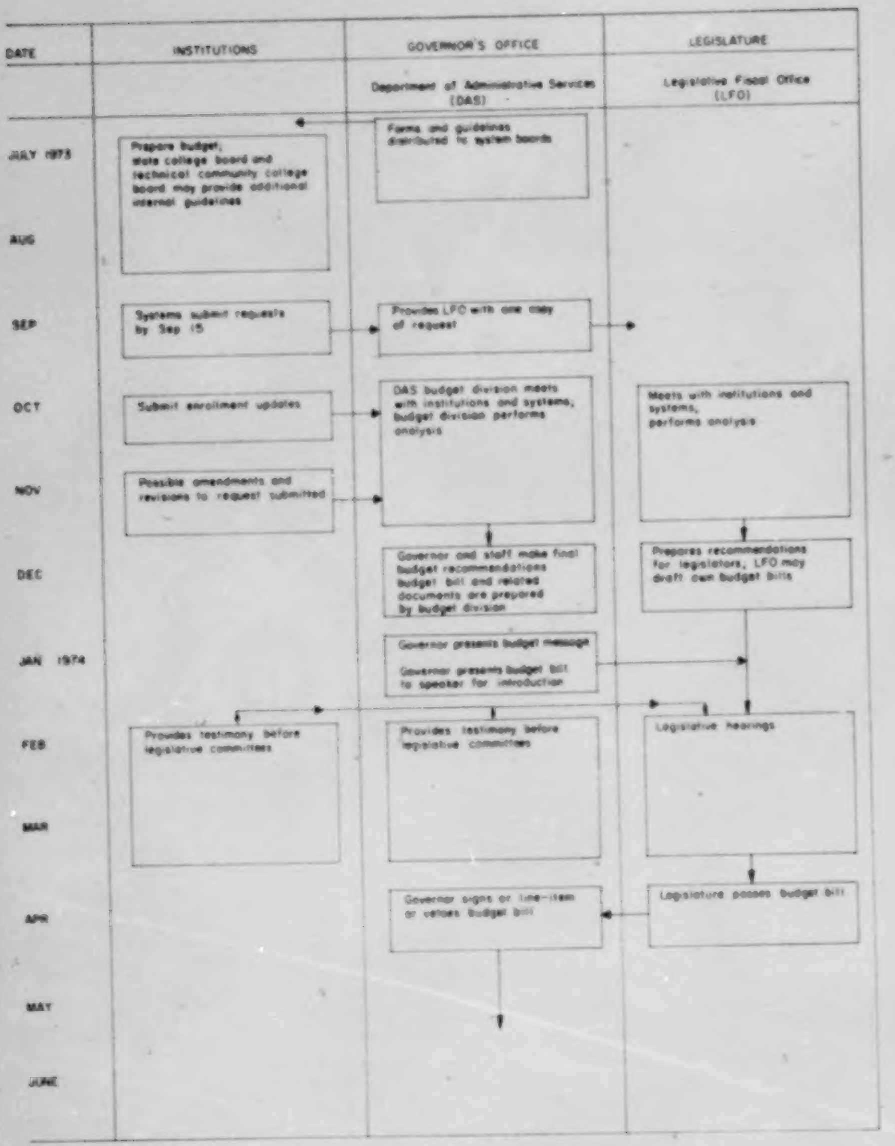
instructional services, student services, libraries, and plant and maintenance, for the state colleges (eight categories in 1973-74 and five categories in 1974-75) and by a mixture of functions and objects of expenditure for the University of Nebraska. State colleges and university activities are identified separately by "program" number rather than by campus name. The governor's budget presents the requested amount and the governor's recommendation, but contains no narrative justification or quantitative analytical justification. Some very brief explanations appear in the foreword of the document.

Legislative Hearings: The Appropriations Committee holds hearings in February or March. In some cases, the committee will sit with each agency for a day. DAS is invited to attend the hearings to explain the rationale behind the governor's budget recommendations.

Budget Bill: Traditionally the Budget Division drafts the bill, but for FY 1974-75 the legislature introduced a substitute bill. Campuses in both systems are identified in the budget bill. Appropriations are by campus and are disaggregated by functions or objects of expenditure similar to those found in the governor's budget.

Control and Governor's Veto: The appropriation bill contains explicit legislative intent. Any directives incorporated into the bill are first negotiated with the institutions. The governor has line-item reduction veto authority and uses it liberally. However, after a veto the legislature must reconsider the entire budget rather than individual lines, so that most vetos are overriden.

NEBRASKA HIGHER EDUCATION OPERATING BUDGET FLOW CHART (1974-75 BUDGET)



DATE	INSTITUTIONS	GOVERNOR'S OFFICE Department of Administrative Services (DAS)	LEGISLATURE Legislative Fiscal Office (LFO)
JULY 1973	Prepare budget, state college board and technical community college board may provide additional internal guidelines	Forms and guidelines distributed to system boards	
AUG			
SEP	Systems submit requests by Sep 15	Provides LFO with one copy of request	
OCT	Submit enrollment updates	DAS budget division meets with institutions and systems, budget division performs analysis	Meets with institutions and systems, performs analysis
NOV	Possible amendments and revisions to request submitted		
DEC		Governor and staff make final budget recommendations budget bill and related documents are prepared by budget division	Prepares recommendations for legislators, LFO may draft own budget bills
JAN 1974		Governor presents budget message Governor presents budget bill to speaker for introduction	
FEB	Provides testimony before legislative committees	Provides testimony before legislative committees	Legislative hearings
MAR			
APR		Governor signs or line-item or vetoes budget bill	Legislature passes budget bill
MAY			
JUNE			

NEW YORK (1974–75)

IN GENERAL

Formulation of higher education operating budgets in New York is characterized by: (1) location of the coordination function in a Department of Education with substantial planning and program review authority but no budgetary authority; (2) the concentration of all public higher education in two large multicampus systems, both of which offer all levels of instruction; and (3) substantial state funding of a municipal university under a statutory formula which inhibits budget analysis by the state. New York has an annual budget with a fiscal year beginning April 1. The responsible state agencies are:

Executive Branch: The Division of the Budget (DOB) has a staff of 160, nine of whom are responsible for higher education operating budgets. The Office of Employee Relations is responsible for negotiation of collective bargaining agreements, including state support for faculty salaries. Negotiated, incremental salary increases have been the subject of special legislation in the past, but are not discussed in this description.

Legislative Branch: New York does not have joint legislative fiscal staff. The Senate Finance Committee has a staff of 11, two of whom are responsible for higher education operating budgets. The

Assembly Ways and Means Committee has a staff of 12, one of whom has such responsibility.

State Higher Education Agency: The Regents of the University of the State of New York (Regents) are staffed by the State Department of Education with a professional staff of 146, none of whom has responsibility for higher education operating budgets.

HIGHER EDUCATION COORDINATION AND GOVERNANCE

The Regents perform the coordination function, but lack budgetary authority. They have no direct and very little indirect role in budget formulation for public higher education. However, institutional budget requests do not usually contain items for new degree programs without prior Regents' approval. All public campuses in New York are in two multicampus systems. The State University of New York (SUNY) is composed of four university centers, 13 university colleges, 10 four-year specialized campuses, 38 two-year community colleges and six two-year agricultural and technical colleges. The City University of New York (CUNY) has a separate graduate school and nine four-year campuses, some of which offer doctoral programs. The City of New York has primary responsibility for the analysis of CUNY budgets; therefore this analysis is not described here. The 38 two-year community colleges obtain state support through formulas designated in statutes and in SUNY regulations.

MAJOR ELEMENTS OF BUDGETARY PROCESS

Presubmission Activity: In March DOB issues instructions and forms to SUNY. The SUNY budgetary process operates within the context of a 1965 "memorandum of understanding" between DOB and SUNY. DOB staff visit campuses throughout the year to familiarize themselves with local issues. Specific governor's policies are made known to SUNY staff informally.

Budget Requests: Individual campus requests to DOB are submitted in September. These are accompanied by an aggregated SUNY request in summary form. The campus requests are in functional form and identify specific increases in the request as workload, improvement, or new services. Campus and SUNY requests are available to the Senate and Assembly fiscal staffs.

Review and Analysis: DOB analysis begins in September. DOB staff integrate executive office and SUNY priorities, and analyze their fiscal impact. The focus of analysis is on individual campus requests and is based on formulas and guidelines developed internally in policy papers by DOB. Both the SUNY Central and legislative fiscal staffs rely heavily on DOB for analysis and information on budgetary issues. Legislative staff review focuses on policy issues related to specific new programs. Each legislative fiscal staff performs separate analyses, which are subsequently shared. Joint staff sessions focus first on the resolution of technical differences and then on policy differences. All agencies refer to provisions of Regents' plans prepared as a result of a statutory four-year planning cycle, particularly those provisions relating to enrollment projections and academic programs.

DOB Hearings: Informal hearings on campus budgets are held by DOB staff at SUNY campuses and in Albany beginning in September. SUNY Central staff as well as campus administrators and faculty attend and may participate. Legislative staff do not attend. In November, the director of DOB holds a formal hearing at which SUNY Central staff present the budget as a whole. Legislators and legislative staff do attend and participate.

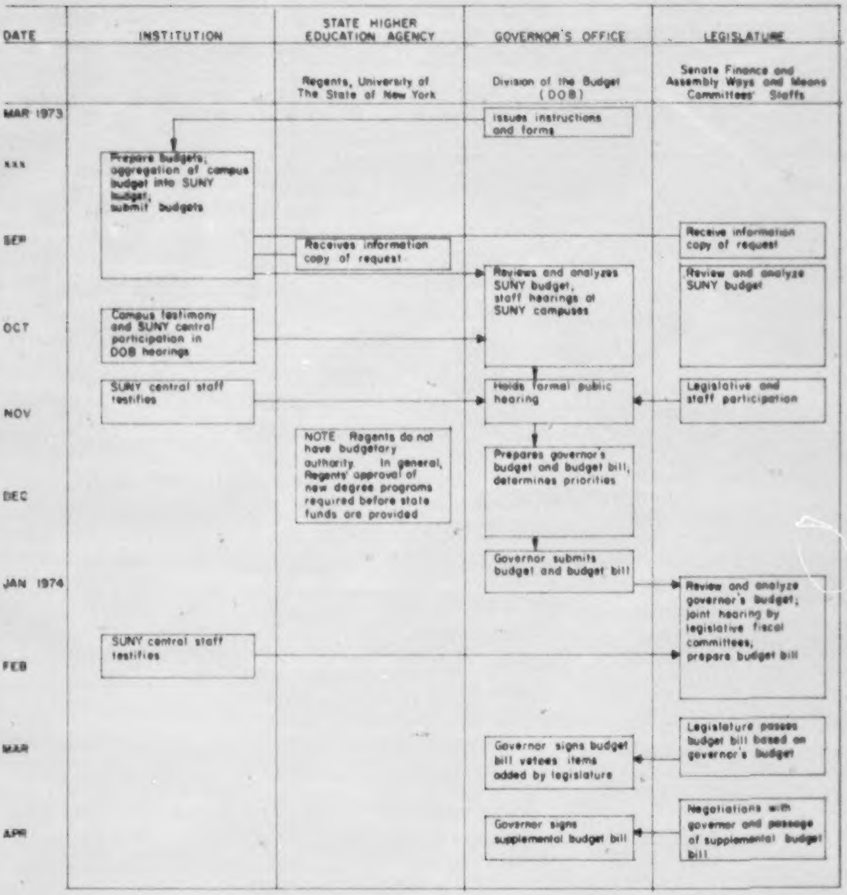
Governor's Budget: The governor's budget utilizes the WICHE/NCHEMS PCS program format. Campus requests are summarized and grouped by functional clusters. Extensive narrative presentation and quantitative data are presented on major budgetary issues.

Legislative Hearings: A joint hearing is held by the Senate and Assembly fiscal committees on the governor's budget in February. The hearing requires about three hours and only SUNY's chief executive officer testifies. He supports the governor's budget. Hearings are not held on the supplemental budget.

Budget Bill: Both the major budget bill for the governor's budget and the supplemental budget bill are drafted by DOB. Both bills are in WICHE/NCHEMS PCS format. Funds are appropriated to each campus in seven lines, one for each program. Following enactment of the major bill, based on the governor's budget, the supplemental budget bill corrects errors, funds additional programs and may restore items previously deleted from the governor's budget by the legislature.

Control and Veto: Legislative intent is made public in a press release. Detailed allocation of funds among campuses may be specified in the appropriations act. The governor has authority to veto items added to appropriation bills by the legislature, which are increases over the governor's budget. He has line-item veto authority but cannot reduce items within lines.

NEW YORK HIGHER EDUCATION OPERATING BUDGET FLOW CHART (1974-75 BUDGET)



DATE	INSTITUTION	STATE HIGHER EDUCATION AGENCY	GOVERNOR'S OFFICE	LEGISLATURE
		Regents, University of The State of New York	Division of the Budget (DOB)	Senate Finance and Assembly Ways and Means Committees' Staffs
MAR 1973			issues instructions and forms	
XXX	Prepare budgets; aggregation of campus budget into SUNY budget, submit budgets			
SEP		Receives information copy of request	Reviews and analyzes SUNY budget, staff hearings at SUNY campuses	Receive information copy of request Review and analyze SUNY budget
OCT	Campus testimony and SUNY central participation in DOB hearings			
NOV	SUNY central staff testifies		Holds formal public hearing	Legislative and staff participation
DEC		NOTE Regents do not have budgetary authority. In general, Regents' approval of new degree programs required before state funds are provided	Prepares governor's budget and budget bill, determines priorities	
JAN 1974			Governor submits budget and budget bill	Review and analyze governor's budget; joint hearing by legislative fiscal committees, prepare budget bill
FEB	SUNY central staff testifies			
MAR			Governor signs budget bill vetoes items added by legislature	Legislature passes budget bill based on governor's budget
APR			Governor signs supplemental budget bill	Negotiations with governor and passage of supplemental budget bill

PENNSYLVANIA (1974-75)

IN GENERAL

Formulation of higher education operating budgets in Pennsylvania is characterized by: (1) the major responsibility for higher education budget review resting with the State Department of Education; (2) the heavy impact of the political process on budget decisions; (3) the classification of institutions for budgetary purposes as "state-owned" (state colleges), "state-related" (universities), and "state-aided" (private institutions); (4) the influence and independence of the universities; (5) a common rationale for support of the state-related universities and the state-aided private institutions; (6) a constitutional requirement for a two-thirds vote to enact appropriations for state-related and state-aided institutions, but only a simple majority requirement for state-owned institutions; and (7) the passage of appropriation bills well into the fiscal year. Pennsylvania has an annual budget with a fiscal year beginning July 1. The responsible state agencies are:

Executive Branch: The Office of the Budget (OOB) is located in the Executive Office of the Governor and has a professional staff of 45, two of whom are responsible for higher education operating budgets. The Program Audit Division in the Office of the Budget, with a professional staff of nine, is responsible for performance audits in all areas of state government including higher education.

Legislative Branch: The Senate Appropriations Committee has both a majority and a minority staff, with a total of three staff members. The House Appropriations Committee also has majority and minority staffs, with a total of five staff members. Responsibility for higher education operating budgets is not assigned to particular staff members but is shared. Senate staff are assigned to its Appropriations Committee from a central pool while the House assigns staff directly to its Appropriations Committee. A Legislative Budget and Finance Committee, with a staff of three, is responsible for performance audits.

State Higher Education Agency: The Commission of Higher Education in the Department of Education (DOE) has a staff of 70, four of whom are responsible for higher education operating budgets.

HIGHER EDUCATION COORDINATION AND GOVERNANCE

DOE is a coordinating agency with statutory authority for budget review. DOE issues budget instructions, receives and reviews institutional budget requests, and submits an aggregated request to DOB. DOE is charged with higher education planning and provides management oversight of the state-owned colleges. DOE coordinates 14 state-owned colleges, including a university, four state-related universities, 14 community colleges, and reviews the budget requests of 12 private state-aided institutions. The state-related and state-aided institutions receive their funds essentially as grants. The community colleges are partially state-supported through a formula.

MAJOR ELEMENTS OF BUDGETARY PROCESS

Presubmission Activity: A single set of budget instructions and forms is jointly developed by DOE and OOB in February. More data are obtained from the state-owned colleges and university as they are under more direct control of DOE. OOB also issues Program Policy Guidelines which require agencies to respond to selected policy issues identified by the governor.

Budget Requests: Institutional requests are submitted to both DOE and OOB in August. They are summarized by OOB, and copies of summarizations are distributed to DOE and the legislature. Copies of institutional budgets are not made available to the legislature prior to submission of the governor's budget. Budget requests include amounts set forth by 14 program elements. These elements are supplemented by data on student/faculty ratios, institutional revenues, net costs to the state, productivity and cost measures by HEGIS discipline, and a schedule of head counts and tuition income. The community college request includes a calculation of their entitlement under the formula. The extent of narrative justification varies among types of institutions, with considerable from state-related institutions and little from state-aided institutions.

Review and Analysis: DOE budget review begins in August. A formula based on average costs per semester credit hour is used by DOE to analyze operating budgets of institutions. An examination also is made of enrollment trends and semester credit hour productivity. DOE gets some guidance during its review from the governor after he has made a preliminary review of requests and revenue projections. Recommendations of DOE are transmitted to the governor in the form of a memorandum. OOB budget review begins in October. A PPB approach to budget development and review has been sponsored by OOB, but has not yet gained acceptance in the legislature. OOB budget review focuses on program issues and on reconciling differences between DOE and the institutions. Data for HEGIS reports are collected by DOE. There is no formal state information system for budget purposes, but attention is being given to use of WICHE/NCHEMS products. There is a state master plan for higher education in Pennsylvania, but it deals with broad policy issues and is not fully supported by the legislature. Consequently, it has little direct impact on budgeting.

Hearings: DOE and the Board of State College and University Directors (SCUD) hold hearings with state-owned institutions in September. DOE also holds hearings in September with each of the state-related universities. DOE hearings have focused on objects of expenditure, but now tend to consider program issues. No hearings are held on the requests of the state-aided institutions. Hearings are attended normally by observers from OOB and by two or three members of the State Council for Higher Education, which is the higher education policy body for DOE. Legislative staff do not attend. DOE hearings have been held so late in the process that they have not influenced OOB decisions. For FY 1975-76 hearings are being held earlier in the process. The governor's Budget Secretary, the director of OOB, holds brief hearings with the state-owned and state-related institutions.

Governor's Budget: The governor's budget is submitted in January in two volumes. Volume I presents the total funds budgeted for each state-owned institution, with lines for state, federal, and other funds. For the remaining institutions only the total amount of state funds budgeted is shown. The document contains an extensive crosswalk to Volume II, the PPB budget. Under "Higher Education," Volume II provides totals for 15 HEGIS disciplines and suballocations under each discipline for institutions and agencies. There is a brief narrative description and justification for each discipline.

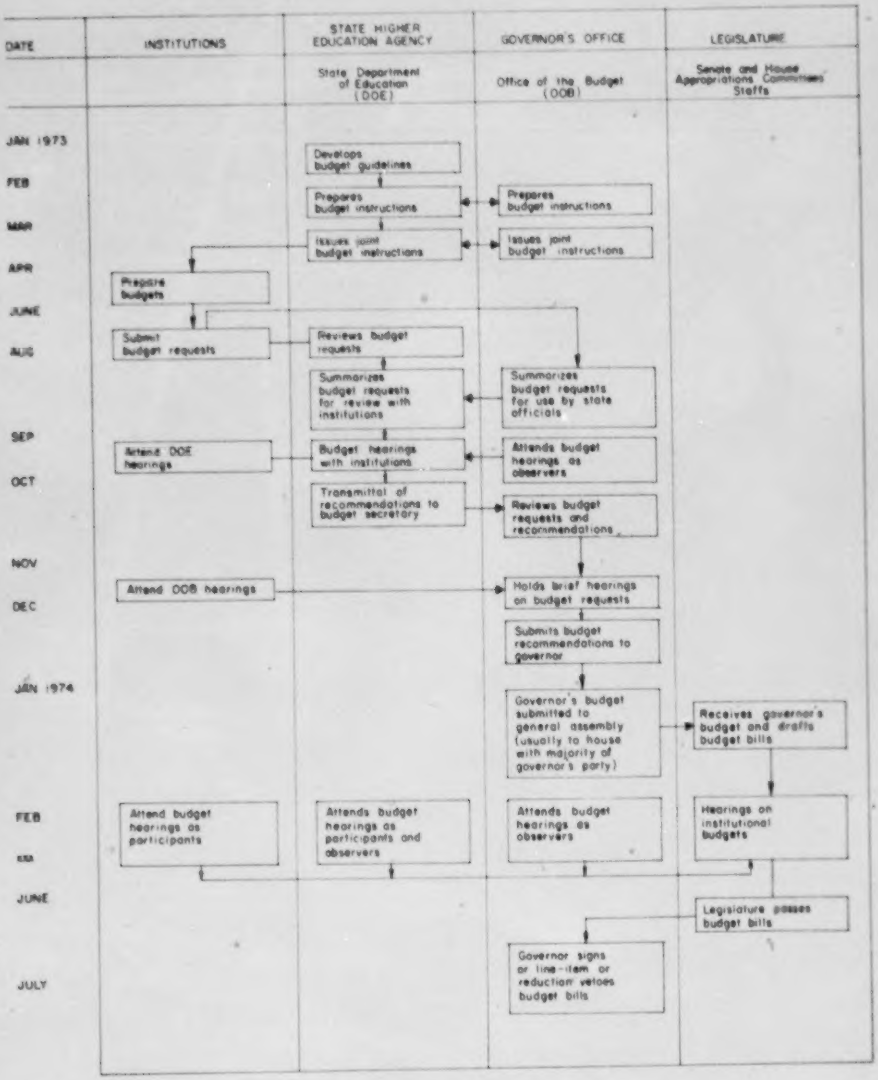
Legislative Hearings: Both houses of the legislature hold hearings beginning in February. The hearings last from one-half to three hours per institution. Hearings are monitored by OOB and DOE staff. The principal witnesses at hearings are the presidents of state-related and state-aided institutions. DOE staff represent the state-owned institutions at these hearings.

Budget Bill: OOB prepares a single budget bill for state-owned institutions and for community colleges. There are separate budget bills for each of the state-related and state-aided institutions.

The bills contain three to five lines per organizational appropriation for state-related institutions with the bulk of the appropriation in a single line for each institution. There is a single lump sum appropriation to DOE for all state-owned institutions. Each state-aided institution gets a separate appropriation in a single line. The governor's budget is not always the basis for legislative action; the committees draft their own bills on occasion.

Control and Veto: Budget bills contain extensive control language on matters such as management practices and submission of data. Funds are appropriated to DOE for the state-owned institutions and directly to other institutions. The governor has a line-item and reduction veto. He must reduce appropriations to match projected revenues. The veto is not used often.

PENNSYLVANIA HIGHER EDUCATION OPERATING BUDGET FLOW CHART (1974-75 BUDGET)


DATE
INSTITUTIONS
STATE HIGHER EDUCATION AGENCY
GOVERNOR'S OFFICE
LEGISLATURE
State Department of Education (DOE)
Office of the Budget (OOB)
Senate and House Appropriations Committees' Staffs
JAN 1973
FEB
MAR
APR
JUNE
AUG
SEP
OCT
NOV
DEC
JAN 1974
FEB
MAY
JUNE
JULY
Develops budget guidelines
Prepares budget instructions
Prepares budget instructions
Issues joint budget instructions
Issues joint budget instructions
Prepare budgets
Submit budget requests
Reviews budget requests
Summarizes budget requests for review with institutions
Summarizes budget requests for use by state officials
Attend DOE hearings
Budget hearings with institutions
Attends budget hearings as observers
Transmittal of recommendations to budget secretary
Reviews budget requests and recommendations
Attend OOB hearings
Holds brief hearings on budget requests
Submits budget recommendations to governor
Governor's budget submitted to general assembly (usually to house with majority of governor's party)
Receives governor's budget and drafts budget bills
Attend budget hearings as participants
Attends budget hearings as participants and observers
Attends budget hearings as observers
Hearings on institutional budgets
Legislature passes budget bills
Governor signs or line-item or reduction vetoes budget bills

TENNESSEE (1974-75)

IN GENERAL

Formulation of higher education operating budgets in Tennessee is characterized by: (1) the strong influence of the Tennessee Higher Education Commission (THEC); (2) a comprehensive system of formulas which generates approximately 85 percent of the institutional budget requests; and (3) the dependence of the executive budget office and legislative fiscal staffs upon THEC for all information about higher education activities. Tennessee has an annual budget with a fiscal year beginning July 1. The responsible state agencies are:

Executive Branch: The Division of Budget (DOB), Department of Finance and Administration, has a staff of 10, one of whom is responsible for higher education operating budgets. Until recently, the Deputy Commissioner of Finance and Administration had responsibility for the higher education budget.

Legislative Branch: The Joint Fiscal Review Committee has a staff of three; no one person is responsible for higher education, although approximately 15 percent of the staff time is spent in that area. The Senate Finance Ways and Means Committee has recently established a permanent staff of one, to serve as a legislative budget analyst for all state agencies, including higher education. A Special Committee on the Higher Education Formula meets to discuss proposed formula changes; there is no committee staff.

State Higher Education Agency: The Tennessee Higher Education Commission (THEC) has a staff of 25, seven of whom are responsible for higher education operating budgets.

HIGHER EDUCATION COORDINATION AND GOVERNANCE

THEC is a coordinating agency with statutory authority for budget review and new degree, or degree program, review and approval. It is responsible for the designation of detailed and comprehensive formulas by which institutional budget requests are generated. THEC is responsible for the only comprehensive review of higher education operating budgets conducted at the state level. THEC is also responsible for the coordination of 10 four-year colleges and universities, governed by two governing boards. Multicampus systems--the State University and Community College System (SUCC), and the University of Tennessee System (UT)--appear to be playing an increasingly important role in budget formulation at the statewide level. In addition, THEC coordinates the 10 community colleges under the SUCC system. The Community Colleges are funded by the state, with between 75 and 80 percent of their support generated by the statewide funding formula.

MAJOR ELEMENTS OF BUDGETARY PROCESS

Presubmission Activity: In June THEC sends formula change request forms to the system offices. Instructions are issued by THEC in late

August based upon guidelines worked out by THEC and DOB. Formulas are updated annually by THEC on the basis of input from the biennial cost study, from institutional representatives, and from members of the Special Committee on the Higher Education Formula, a legislative subcommittee. During the presubmission phase THEC and institutions communicate informally as problems arise. Most of the discussion focuses on non-formula areas.

Institutional Budget Requests: Campuses submit separate requests, and the identity of each campus remains clear throughout the budgetary process. Requests are submitted to THEC by October 15th, and are received by staffs of the Joint Fiscal Review Committee and the Senate Finance Ways and Means Committee. DOB does not receive individual institutional requests. THEC submits a request consolidating institutional requests and THEC recommendations to DOB and the legislature by December 1. Formula computations generate the largest part of the institutional requests. The institutional requests contain amounts by four functional categories: Student Aid, Auxiliary Enterprises, Hospital, and Educational and General. Educational and General expenditures, the largest category, is further disaggregated by 10 subfunctions. THEC recommendations for Educational and General expenditures plus student aid are disaggregated by four sub-categories: Instruction, Research, Public Service, and Support Services.

Review and Analysis: THEC has approximately two weeks, from October 15 to October 31, to review institutional requests prior to THEC hearings. Additional analysis is performed in November following THEC hearings to incorporate justified changes. The focus of THEC review is on additions to the budget base. A primary objective of THEC is to identify areas where institutions have made errors or have been overly optimistic in estimating needs. The fact that the budget request is formula-generated makes it possible to perform the bulk of the review and analysis in two weeks. DOB does not perform a detailed analysis of the budget, relying upon THEC instead. DOB fits higher education's needs into the governor's totals, working closely with THEC in the process. Legislative staff focus on specific legislator's interests, such as formula improvement factors, faculty salaries, and medical education.

Hearings: THEC conducts public institutional hearings on a regional basis, beginning October 31, and continuing for approximately two weeks. Local legislators and administrators are encouraged to attend. In tne past, DOB usually has not been represented. Most questions which arise during THEC review are held until the staff hearings; THEC attempts to provide a rough analysis approximately three days before the hearings so that the institutions can prepare written statements. In late November the THEC staff presents recommendations to its Commission in a public meeting. DOB hearings are held in November. Legislators attend and dominate the questioning; most of the questions are based on their particular interests.

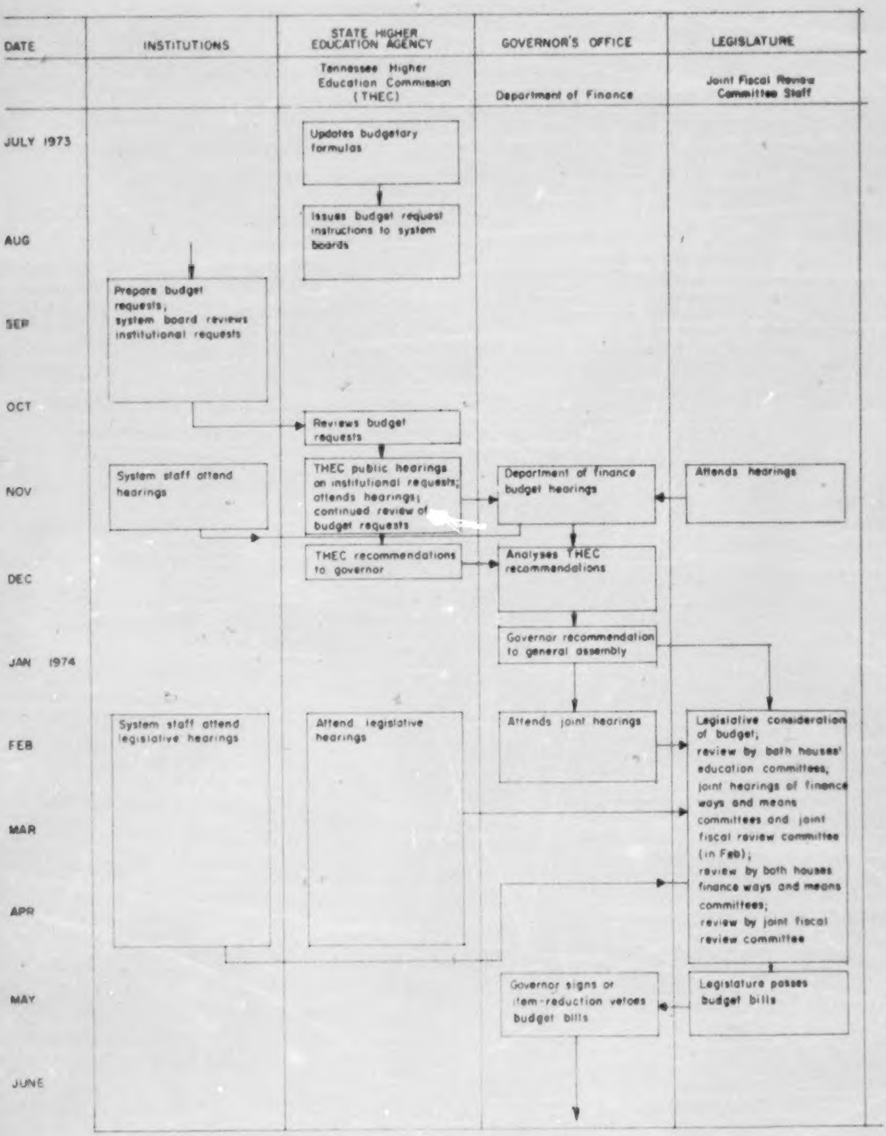
Governor's Budget: The governor's budget is submitted prior to legislative hearings, by January 15 in non-election years and March 1 in election years. Recommendations are in lump-sum format, by institution. Institutions are aggregated by system. The appropriation bill is drafted by the governor's Department of Finance and Administration.

Legislative Hearings: Legislative hearings are held from February through April by the substantive education committees in both houses, by the Finance Ways and Means Committee in both houses, and by the Joint Fiscal Review Committee. A general list of questions is provided to THEC prior to the substantive committee hearings. The substantive committees delve into budgetary matters. The Senate and House Finance Ways and Means Committees and the Joint Fiscal Review Committee sit jointly for budget hearings, usually in February. Questions focus on changes in the budget and on special issues of interest to legislators. The Department of Finance and Administration is represented at joint legislative budget hearings, often by the Commissioner. THEC represents higher education, supported by the system staffs. Institutional presidents are discouraged from attending. The joint hearings on higher education last approximately one-half day.

Budget Bill: Appropriation bills are introduced in both Houses. Tennessee does not have conference committees on appropriations, so that differences are resolved informally. Funds are appropriated to individual institutions by lump sum.

Control and Veto: There are few controls over institutional budgets once appropriations are made. The governor has item reduction veto authority. The General Assembly has the option of attempting to override the bill *in toto*, or in attempting to override individual items that the governor has altered. Legislators do not have the option of adjusting the figures to a middle position; they must either accept the figures as originally enacted, or accept the figures as adjusted by the governor.

TENNESSEE HIGHER EDUCATION OPERATING BUDGET FLOW CHART (1974-75 BUDGET)


DATE
INSTITUTIONS
STATE HIGHER EDUCATION AGENCY
GOVERNOR'S OFFICE
LEGISLATURE
Tennessee Higher Education Commission (THEC)
Department of Finance
Joint Fiscal Review Committee Staff
JULY 1973
AUG
SEP
OCT
NOV
DEC
JAN 1974
FEB
MAR
APR
MAY
JUNE
Updates budgetary formulas
Issues budget request instructions to system boards
Prepare budget requests; system board reviews institutional requests
Reviews budget requests
System staff attend hearings
THEC public hearings on institutional requests; attends hearings; continued review of budget requests
Department of finance budget hearings
Attends hearings
THEC recommendations to governor
Analyses THEC recommendations
Governor recommendation to general assembly
System staff attend legislative hearings
Attend legislative hearings
Attends joint hearings
Legislative consideration of budget; review by both houses' education committees; joint hearings of finance ways and means committees and joint fiscal review committee (in Feb); review by both houses finance ways and means committees; review by joint fiscal review committee
Governor signs or item-reduction vetoes budget bills
Legislature passes budget bills

TEXAS (1973–75 Biennium)

IN GENERAL

Formulation of higher education operating budgets in Texas is characterized by: (1) the use for over 15 years of designated formulas which generate about 85 percent of the budget requests of the senior institutions; (2) very close personal and professional relationships among the staffs of the three state agencies with primary budgetary responsibility; (3) joint executive and legislative staff hearings at institutions on initial requests; and (4) an apparently equal balance of power between the executive and legislative branches. Texas has a biennial budget with a fiscal year beginning September 1 of even-numbered years. The responsible state agencies are:

Executive Branch: The Governor's Budget Office (GBO) has a staff of 10, two of whom are responsible for higher education operating budgets.

Legislative Branch: The Legislative Budget Board (LBB) has a staff of 18, three of whom are responsible for higher education operating budgets. The LBB has a Program Evaluation Unit created in 1974, staffed by 11 professionals who are engaged in performance audits, some in the area of higher education.

State Higher Education Agency: The Coordinating Board, Texas College and University System (CB) has a staff of 60, three of whom are responsible for higher education operating budgets.

HIGHER EDUCATION COORDINATION AND GOVERNANCE

CB is a coordinating agency with specific and limited budgetary authority. It is responsible for the designation of detailed and comprehensive formulas by which institutional budget requests are generated. After designation of such formulas, however, it has no formal or structured role in the budget review process. It is responsible for the coordination of 34 four-year colleges and universities and two-year centers (either lower or upper division), governed by 16 governing boards. The University of Texas and Texas A & M multicampus systems play a major role in budget formulation at the statewide level. CB also coordinates 47 two-year college districts which receive approximately 60 percent of their support from the state, based on historically derived cost rates for 18 academic programs.

MAJOR ELEMENTS OF BUDGETARY PROCESS

Presubmission Activity: Budget instructions are issued jointly by GBO and LBB in March and include the formulas previously designed by CB in January. Formulas are developed by some 15 advisory formula study committees, made up of some 115-200 institutional representatives and lay citizens, with CB staff liaison. Recommendations of the advisory committees and of CB staff are reviewed and formulas designated at a formal Coordinating Board meeting.

Budget Requests: Campuses submit separate requests, and the identity of each campus remains clear throughout the budget process. First drafts of requests are submitted in July and final requests in October. Requests are submitted to GBO, LBB, and CB as well, although the latter does not have a formal budgetary review role following formula designation. Formula computations generate the largest part of the institutional requests, but Special Items usually add needs which fall outside the designated formulas.

GBO and LBB Joint Staff Hearings: Following the submission of first drafts of institutional requests, GBO and LBB conduct joint hearings at the institutions from July through September. Hearings vary in length, generally lasting a day for major institutions. Hearings focus on the needs of the institutions. CB staff attend these hearings as observers.

Review and Analysis: CB staff limit formal review and analysis to formula study committee recommendations. Although CB uses institutional role and scope determinations in the review of new academic programs, there is no formal or structured relationship between program approval and operating budget formulation. Programs not approved by CB cannot be funded. GBO and LBB rely on the role and scope determinations in analysis of budget requests. The staffs generally use institutional comparisons to revise factors in the designated formulas, and rely on information furnished by CB staff. CB is developing an Educational Information Center, based on the extensive data collected for formula use.

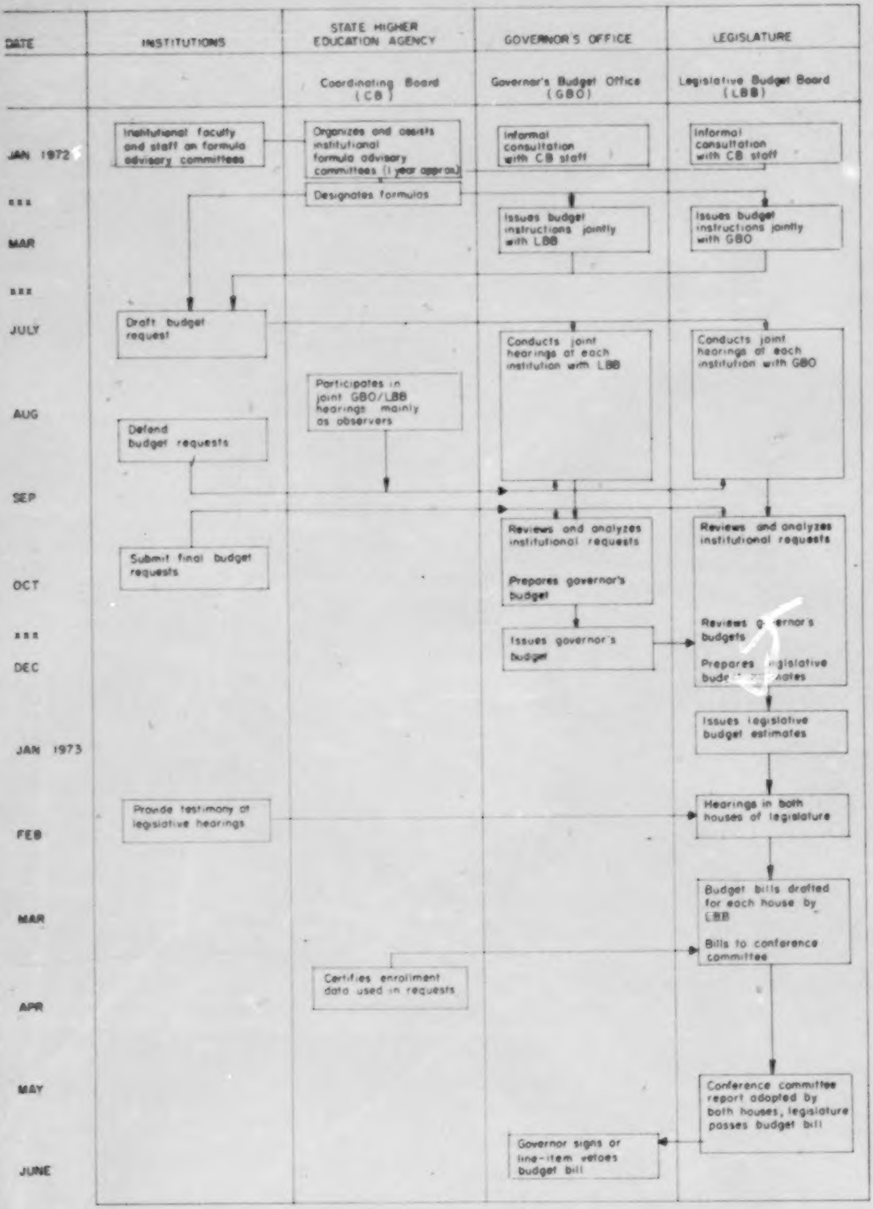
Governor's Budget: The governor's budget is submitted in December prior to legislative hearings. It is functional in form, aggregating institutional requests according to the 11 designated formulas, and separately stating the Special Items. The governor does not submit a budget bill.

Legislative Hearings: After receiving the governor's budget, LBB issues Legislative Budget Estimates. Informal consultation with CB staff may take place during preparation of these estimates. Beginning in February, institutional budget requests are heard separately by both houses, each institution having approximately 30 minutes to present its request. Hearings focus on the needs of the institutions; special items may be requested for projects not included within the formula structure.

Budget Bill: After hearings, LBB staff draft separate budget bills for each house. After passage of bills in each house, differences are resolved by a conference committee, resulting in a single bill for all state services. Institutional appropriations are in functional format, with additional lines for specific objects of expenditure and organizational units.

Control and Veto: Legislative intent and restrictions on transfer are stated in the appropriation bill. Transfers between such items as Faculty Salaries, Libraries, and Special Items are controlled. The governor has line-item veto authority, but cannot reduce appropriations within lines.

TEXAS HIGHER EDUCATION OPERATING BUDGET FLOW CHART (1973–74 BUDGET)


DATE
INSTITUTIONS
STATE HIGHER EDUCATION AGENCY
GOVERNOR'S OFFICE
LEGISLATURE
Coordinating Board (CB)
Governor's Budget Office (GBO)
Legislative Budget Board (LBB)
JAN 1972
...
MAR
...
JULY
AUG
SEP
OCT
...
DEC
JAN 1973
FEB
MAR
APR
MAY
JUNE
Institutional faculty and staff on formula advisory committees
Organizes and assists institutional formula advisory committees (1 year approx.)
Informal consultation with CB staff
Informal consultation with CB staff
Designates formulas
Issues budget instructions jointly with LBB
Issues budget instructions jointly with GBO
Draft budget request
Conducts joint hearings at each institution with LBB
Conducts joint hearings at each institution with GBO
Participates in joint GBO/LBB hearings mainly as observers
Defend budget requests
Submit final budget requests
Reviews and analyzes institutional requests
Prepares governor's budget
Reviews and analyzes institutional requests
Reviews governor's budgets
Prepares legislative budget estimates
Issues governor's budget
Issues legislative budget estimates
Provide testimony at legislative hearings
Hearings in both houses of legislature
Budget bills drafted for each house by LBB
Bills to conference committee
Certifies enrollment data used in requests
Conference committee report adopted by both houses, legislature passes budget bill
Governor signs or line-item vetoes budget bill

VIRGINIA (1974–76 Biennium)

IN GENERAL

Formulation of higher education operating budgets in Virginia is characterized by: (1) the close working relationship between the executive and legislative branches as manifested in the Budget Advisory Board and the use of executive budget office staff by the legislative fiscal committees; (2) a decentralized system of higher education institutions, each with its own board of visitors and substantial budget autonomy; and (3) the shift from a process currently dominated by the budget office and institutional staffs to a process with more significant roles for the State Council of Higher Education and the legislative staffs. Virginia has a biennial budget with the fiscal biennium beginning July 1 in even-numbered years. The responsible state agencies are:

Executive Branch: The Division of the Budget (D/B), Department of Administration, has a staff of 10, two of whom are responsible for higher education operating budgets. During the 1974-76 budget cycle two professionals were added temporarily; one of these was assigned to higher education.

Legislative Branch: The House Appropriations Committee has a staff of four, one of whom has responsibility for higher education operating budgets. This staff's first budget cycle was the 1974-76 biennium.

Traditionally the budget originates in the House Appropriations Committee. The Senate Finance Committee holds hearings but has no professional budget staff.

State Higher Education Agency: The State Council of Higher Education (SCHE) has a staff of 15, of whom two and one-half full-time equivalents have responsibility for operating budgets.

HIGHER EDUCATION COORDINATION AND GOVERNANCE

SCHE is a coordinating agency which has not extensively reviewed operating budgets in the past. Its role in budget development has been limited to advising on specific items such as library needs or new programs and recommending budget development guidelines. In 1974 the legislature assigned SCHE comprehensive review authority. In the next biennium SCHE will have responsibility for developing budget instructions, guidelines, and enrollment projections and for updating the state plan for higher education. SCHE will also have significantly greater authority over the approval of new programs. At this point it is not definite how SCHE will share its budget review responsibilities with D/B and the expanding legislative staffs. SCHE coordinates 15 four-year college and university campuses, each governed by its own board of visitors, 23 community colleges governed by a single state board, and one two-year branch of a university. The community colleges receive no local funds and generate their requests primarily with statewide formulas.

MAJOR ELEMENTS OF BUDGETARY PROCESS

Presubmission Activity: Beginning in September, 22 months before the start of the biennium, formal guidelines for developing budgets are worked out between D/B and SCHE. These are incorporated as an appendix for higher education institutions to the Budget Manual issued to all state agencies by D/B the following April. The institutions submit enrollment projections to SCHE for endorsement. SCHE advises D/B on new-program proposals by the institutions. There is extensive contact between D/B examiners and the institutional budget staff concerning their budget requests before they are formally submitted.

Budget Requests: Each institution submits a request in functional format to D/B in August. Each function is supported by object-of-expenditure detail. Furthermore, nonacademic personnel under each function are supported by position counts and salaries. There is also extensive narrative justification. D/B forwards copies of institutional requests to SCHE. Formulas for Personal Service under several, but not all, functions are specified in the Budget Manual and are followed by most institutions.

Budget Advisory Board Hearings: The governor and the Budget Advisory Board (appointed by the governor and consisting primarily of legislators) hear the institutions' budget requests in public in October. These hearings are short, approximately an hour or two at most, and cover the highlights of the requests.

Review and Analysis: D/B conducts its review of budget from August to December. Review by D/B is technical and utilizes guidelines and other workload-based unit costs derived for internal use at D/B. The budget total is matched with projected revenues and adjustments are made to balance the two. During this review period contact between D/B and other agencies is minimal. One of the major questions to be resolved during review is the increase in faculty salaries to be recommended. Alternatives are compared using Department of Personnel individual salary and position data.

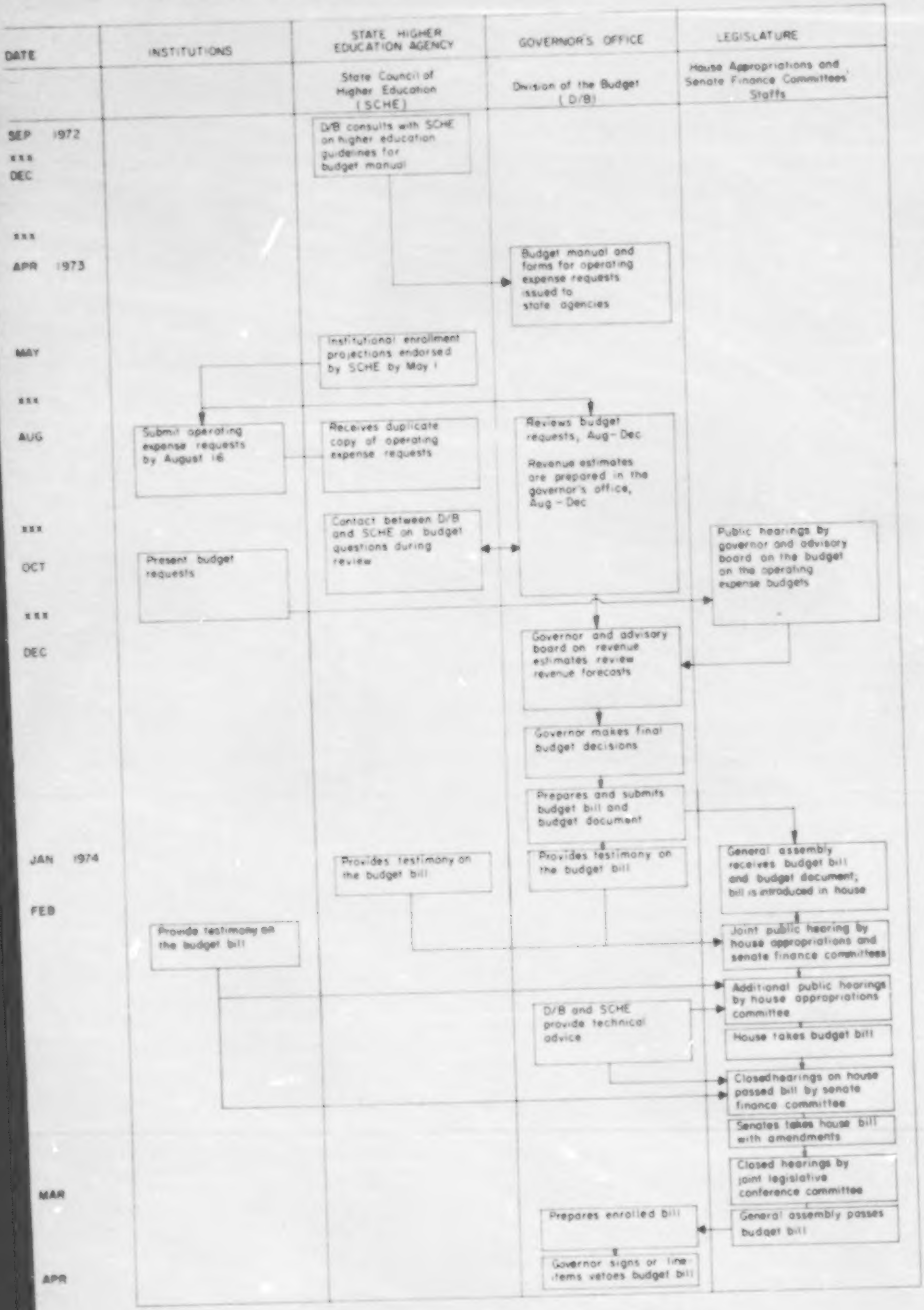
Governor's Budget: The governor's budget uses a functional format, disaggregated by object of expenditure for each institution. It contains limited narrative justifications. The budget is submitted to the legislature in January.

Legislative Hearings: At joint public hearings of the two legislative fiscal committees in February D/B staff present the governor's budget. Institutions do not testify and usually do not attend. The House Appropriations Committee also holds public hearings in February or March. It is at these hearings and the closed hearings of the Senate Finance Committee that the institutions may request to be heard. In the past, SCHE has proposed specific adjustments to D/B budget recommendations at these hearings.

Budget Bill: The bill is drafted by D/B. Funds are appropriated by institution in four lump sums for Educational and General Activities, Auxiliary Enterprises, Sponsored Programs, and Student Aid. For some institutions special lines are inserted for the operating expenditures of teaching hospitals, libraries, or other activities. The bill includes central contingency appropriations to the governor for salary adjustments and unbudgeted cost increases for all state agencies including institutions of higher education.

Control and Veto: The budget bill contains specific control language applicable to higher education institutions, and authorizes the governor to reduce appropriations within revenues in order to maintain a balanced budget. This has rarely been required; however, D/B does exercise control over the central contingency appropriations referred to above and approves expenditure plans for additional tuition collected from enrollments above those on which the appropriation bill is based. The governor has line-item veto authority, but cannot reduce appropriations within lines.

VIRGINIA HIGHER EDUCATION OPERATING BUDGET FLOW CHART (1974-76 BUDGET)


DATE
INSTITUTIONS
STATE HIGHER EDUCATION AGENCY
GOVERNOR'S OFFICE
LEGISLATURE
State Council of Higher Education (SCHE)
Division of the Budget (D/B)
House Appropriations and Senate Finance Committees' Staffs
SEP 1972
DEC
APR 1973
MAY
AUG
OCT
DEC
JAN 1974
FEB
MAR
APR
D/B consults with SCHE on higher education guidelines for budget manual
Budget manual and forms for operating expense requests issued to state agencies
Institutional enrollment projections endorsed by SCHE by May 1
Submit operating expense requests by August 16
Receives duplicate copy of operating expense requests
Reviews budget requests, Aug-Dec
Revenue estimates are prepared in the governor's office, Aug-Dec
Contact between D/B and SCHE on budget questions during review
Present budget requests
Public hearings by governor and advisory board on the budget on the operating expense budgets
Governor and advisory board on revenue estimates review revenue forecasts
Governor makes final budget decisions
Prepares and submits budget bill and budget document
Provides testimony on the budget bill
Provides testimony on the budget bill
General assembly receives budget bill and budget document; bill is introduced in house
Provide testimony on the budget bill
Joint public hearing by house appropriations and senate finance committees
Additional public hearings by house appropriations committee
D/B and SCHE provide technical advice
House takes budget bill
Closed hearings on house passed bill by senate finance committee
Senates takes house bill with amendments
Closed hearings by joint legislative conference committee
Prepares enrolled bill
General assembly passes budget bill
Governor signs or line items vetoes budget bill

WASHINGTON (1973–75 Biennium)

IN GENERAL

Formulation of higher education operating budgets in Washington is characterized by: (1) the use of statewide formula indicators to analyse budget requests and to measure changes in funding over time; (2) voluntary cooperation among the four-year institutions through a jointly-supported Office of State College and University Business Affairs (OSCUBA); (3) a coordinating agency that has authority to review and make programmatic recommendations on higher education issues but is not required to develop consolidated budget recommendations; and (4) a high degree of personal involvement by the governor in the budget process. Washington has a biennial budget with the biennium beginning on July 1 of the odd-numbered years. The responsible state agencies are:

Executive Branch: The Office of Program Planning and Fiscal Management (OPPFM) has a professional staff of 22 in its Fiscal Management Division, two of whom are responsible for higher education operating budgets.

Legislative Branch: The Senate Ways and Means Committee has a professional staff of six, two of whom are responsible for higher education operating budgets. The House Ways and Means Committee has a professional staff of 10, two of whom are responsible for higher education operating budgets. The House and Senate Ways and Means Committees each have majority and minority party staffs reporting to single staff directors. A Joint Legislative Budget Committee exists but it has been exclusively devoted to management audits since 1973. Of its 16 professional staff members, three have been concerned with higher education studies.

State Higher Education Agency: The Washington Council on Higher Education (CHE) has a professional staff of 11, with one and one-half full-time equivalent positions responsible for higher education operating budget issues.

HIGHER EDUCATION COORDINATION AND GOVERNANCE

CHE is a coordinating agency with responsibility for providing advice on budget formulas, faculty salaries, enrollment ceilings, and policy issues that have budgetary implications. CHE does not make budget recommendations, but has an impact on higher education budgets through its role in the development of budget formulas and unit costs, and its collection of data bearing on policy issues. The Executive Coordinator of CHE together with the State Director for Community College Education function as the representatives of higher education in the governor's cabinet. CHE coordinates two state universities, four state colleges and, through the State Board for Community College Education (SBCCE), 22 community college districts with 27 campuses.

Funds for the community colleges are appropriated to the SBCCE, which in turn allocates them to the local districts. The community colleges are fully state supported. OSCUBA plays an important voluntary coordinating role for the four-year institutions and assists state agencies dealing with higher education issues.

MAJOR ELEMENTS OF BUDGETARY PROCESS

Presubmission Activity: Budget instructions and forms are issued by OPPFM in March of every even year. OSCUBA assists the senior institutions in submitting comparable budget requests by facilitating agreement on key policy issues. Contacts between institutions and OPPFM are frequent during the preparation of the budget, and focus on the clarification of instructions and policy guidance. For the 1975-77 biennium a PPB-type budget submission, termed the Program Decision System, has been requested from all state agencies. These instructions categorize higher education according to six major program elements.

Budget Requests: The four-year institutions submit their budgets directly to OPPFM in August and September. Beginning with the 1975-77 biennium, information copies of all budget requests now are submitted to the legislative Ways and Means Committees. The budget requests differ somewhat in detail among the institutions, but all provide the basic data requested by OPPFM. The budgets contain a considerable amount of narrative as well as quantitative information; for example, the 1973-75 request of the University of Washington was 609 pages long. Budget requests are in functional categories, supported by detailed object-of-expenditure data. The formulas are not used as budget building devices but as indicators for analyzing budgets constructed using various methods. For 1975-77 the budget requests were submitted alternatively in a PBBS-type program format.

Review and Analysis: The initial review of budget requests by OPPFM involves checks for accuracy, and takes approximately two weeks. The review of the budget base and proposed increases is based on policy considerations and factors such as the comparability in treatment of institutions and the match between formula projections and revenue estimates. The governor personally reviews the OPPFM recommendations with the budget analysts in November. The institutional budget requests provide the core of data used to review budgets. Information on items such as the impact of inflation and faculty salaries comparisons is obtained from OSCUBA and from SBCCE. CHE conducts studies in areas such as instructional costs, faculty workload, and academic tenure, and is relied upon for its professional judgments on higher education policy matters. CHE is also involved in program review and analysis, but has not yet completed a statewide master plan.

Governor's Budget Hearing: The governor has an informal conference with institutional presidents in late October after OPPFM has completed its initial review. The presidents of four-year institutions and the state director for the community colleges make brief presentations to inform the governor of their priorities. The sessions are also attended by CHE and legislative staff.

Governor's Budget: The governor's budget is submitted to the legislature in January. It uses a functional format to display recommendations on dollar amounts and the percent of formula for each four-year institution and the community college system. The functional categories are: Instructional Staffing, Instructional Support, Physical Plant Operation and Maintenance, Variable and Fixed Costs, Library Collections, Library Staffing, and Student Services. A short narrative description and justification accompanies the recommendations.

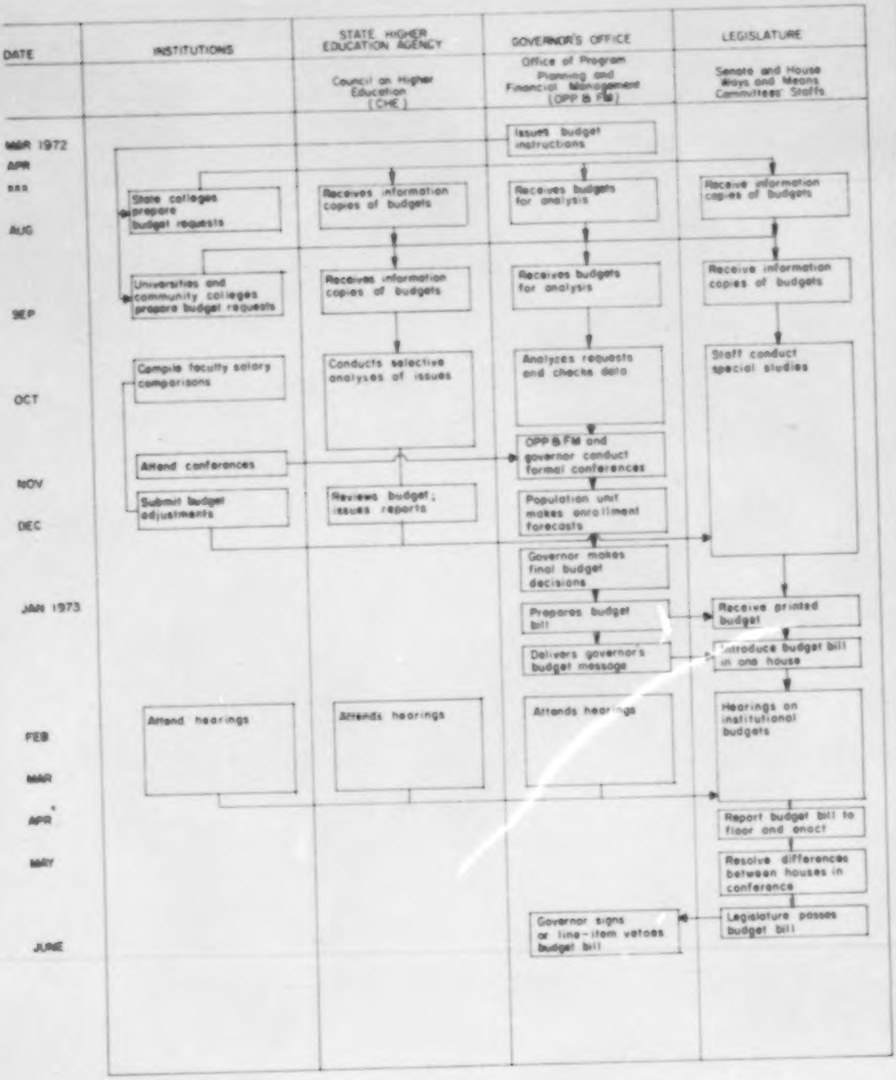
Legislative Hearings: Beginning in January, the Senate Ways and Means Committee has hearings for selected major state agencies. The Senate higher education hearings last approximately one-half day per institution and are based on a staff analysis of the governor's budget. The House Ways and Means Committee holds hearings on all agencies. These hearings last approximately one day per institution. Staff from OPPFM, CHE, and committee members may testify during the course of hearings. The two committees attempted joint budget hearings for

The 1973-75 biennium. The effort was judged unsuccessful and the committees are returning to separate consideration of budgets for the 1975-77 biennium.

Budget Bill: A single consolidated budget bill for all state agencies is drafted by OPPFM. Higher Education Appropriations are limp sums to four-year institutions and to SBCCE. The bill includes expressions of legislative intent on such matters as the uses of funds for salary increases and the development of comparable information. Legislative intent is also expressed in letters to institutions from the chairmen of the appropriation committees.

Governor's Veto: The governor has an item veto. He can correct errors in language, but cannot reduce or increase appropriated amounts.

WASHINGTON HIGHER EDUCATION OPERATING BUDGET FLOW CHART (1973-75 BUDGET)


DATE
INSTITUTIONS
STATE HIGHER EDUCATION AGENCY
GOVERNOR'S OFFICE
LEGISLATURE
Council on Higher Education (CHE)
Office of Program Planning and Financial Management (OPP & FM)
Senate and House Ways and Means Committees' Staffs
MAR 1972
APR
AUG
SEP
OCT
NOV
DEC
JAN 1973
FEB
MAR
APR
MAY
JUNE
Issues budget instructions
State colleges prepare budget requests
Receives information copies of budgets
Receives budgets for analysis
Receive information copies of budgets
Universities and community colleges prepare budget requests
Receives information copies of budgets
Receives budgets for analysis
Receive information copies of budgets
Compile faculty salary comparisons
Conducts selective analyses of issues
Analyzes requests and checks data
Staff conduct special studies
Attend conferences
OPP & FM and governor conduct formal conferences
Submit budget adjustments
Reviews budget; issues reports
Population unit makes enrollment forecasts
Governor makes final budget decisions
Prepares budget bill
Receive printed budget
Delivers governor's budget message
Introduce budget bill in one house
Attend hearings
Attends hearings
Attends hearings
Hearings on institutional budgets
Report budget bill to floor and enact
Resolve differences between houses in conference
Governor signs or line-item vetoes budget bill
Legislature passes budget bill

WISCONSIN (1973–75 Biennium)

IN GENERAL

Formulation of higher education operating budgets in Wisconsin is characterized by: (1) a consolidated higher education system resulting from the merger of the former state college system and the university system, and the abolition of the higher education coordinating commission; (2) the active fiscal and educational policy role of the consolidated governing board; (3) the extensive and structured documentation of budgetary issues at the state level; and (4) the free exchange of data and policy studies among state agencies. Wisconsin has a biennial budget beginning on July 1 of odd-numbered years, with annual review sessions in even-numbered years (for review and modification of biennial appropriations). The responsible state agencies are:

Executive Branch: The Bureau of the Budget, Department of Administration (DOA) has a staff of 23, three of whom are responsible for higher education operating budgets. The Management Analysis unit in DOA, with a professional staff of seven, has scheduled several studies of higher education as of December 1974.

Legislative Branch: In 1973 the Legislative Fiscal Bureau (LFB) had a staff of 10 , three of whom were responsible for higher education operating budgets. The Legislative Audit Bureau, with a professional staff of 37, is beginning to undertake performance audits.

State Higher Education Agency: The University of Wisconsin (UW Central) has a staff of 134, 31 of whom are responsible for higher education operating budgets.

HIGHER EDUCATION COORDINATION AND GOVERNANCE

UW Central is a consolidated governing board staff which reviews and approves campus budget requests, and prepares and submits a consolidated budget to the governor and legislature. It is responsible for the governance and coordination of 13 four-year colleges and universities, 14 two-year centers, and extension activities. For governance and budgetary practice, campuses are divided into four clusters: two campuses in the doctoral cluster, 11 campuses in the university cluster, 14 two-year campuses in the center system and a statewide Extension service. There are 16 two-year technical institutes with local governing boards all coordinated by a separate statewide board. Two-year campuses within the UW system are funded by the state through the UW system budget. The technical institutes receive approximately 32 percent of their support for general operations from the state through flat grants per full-time equivalent student. (Aidable costs which exclude debt service are 55% state-supported in postsecondary programs.)

MAJOR ELEMENTS OF BUDGETARY PROCESS

Presubmission Activity: In February of even-numbered years, instructions are issued by UW Central after informal consultation with DOA. DOA issues procedural guidelines and the governor's policy statement of budget expectations of the executive branch in March. Prior to submission of the UW budget, DOA and LFB staff visit some campuses to acquaint themselves with specific issues.

UW Central Hearings: After staff discussions with the campuses in June and July, the UW Regents hold formal hearings on the UW system budget request. DOA and LFB staff attend but do not participate in these hearings.

Budget Requests: After revision to reflect board decisions, UW Central submits the UW system's budget request to DOA and LFB in September. Campuses are identified and UW Central actions on campus requests are stated in the submission. The budget request is in program format. Changes in subprograms by campus are documented in detail by Decision Item Narratives.

Review and Analysis: Beginning in the preceding March, review of campus requests by UW Central focuses on institutional profiles, base budget reviews, and incremental changes to existing campus budget bases. This review seeks to determine adequate and comparable support within and among the three campus clusters. UW Central analysis employs a data base which extends to the departmental level. DOA has access to UW Central analytic studies, and generally focuses its review on budget increments, including faculty salary levels. DOA's primary concern is the UW Central response to issues raised in the governor's policy statement. LFB, also with access to UW Central studies, prepares Issue Papers responsive to the interests of both particular legislators and the Joint Committee on Finance. LFB bases its review criteria upon program objectives and institutional mission statements.

UW Central is developing a statewide plan for the system which resulted from the merger of the two former systems. The Board adopted a statement of campus missions in 1974, and proposes a ten-year plan with broad objectives, but with specific academic program objectives for the first five years. Mission statements are currently used by UW Central in the review of campus budget requests.

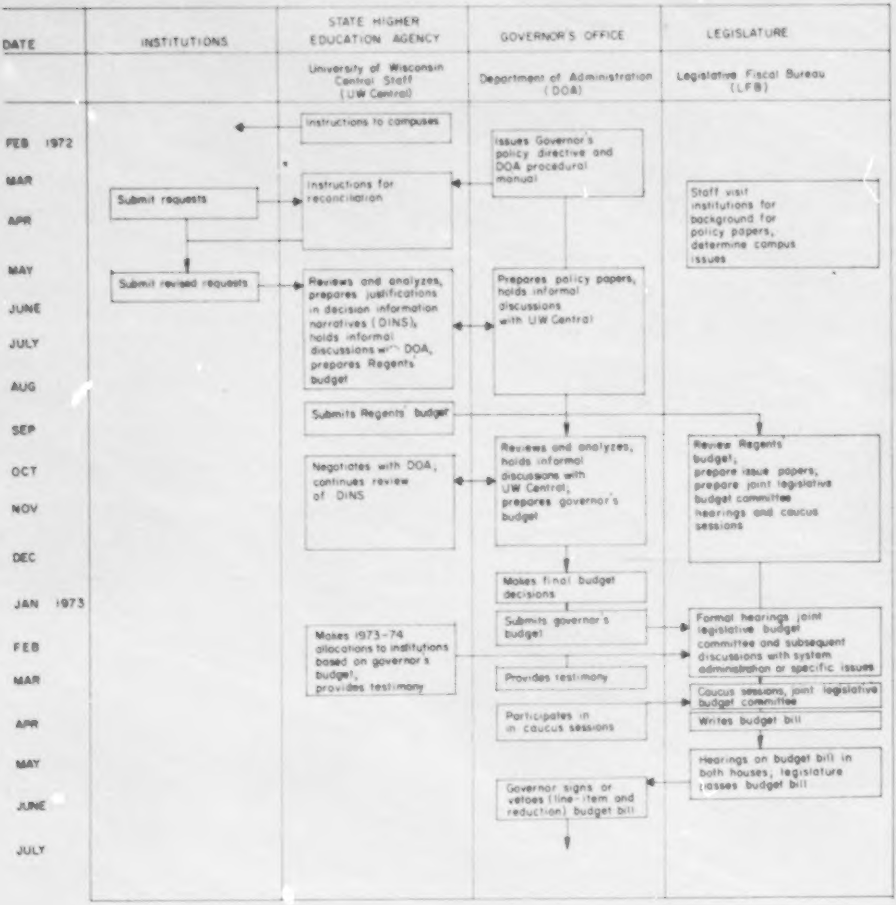
Governor's Budget: The governor's budget, issued in late January, is in program format. University Education, Research and Public Service is the overall program which has seven major subprograms derived from the WICHE/NCHEMS PCS. The budget contains narrative justifications including the reasons for some DOA changes in the UW Central request. Limited quantitative justification is presented in the governor's budget because this information is contained in supporting UW Central documentation.

Legislative Hearings: The governor's budget is heard before the Legislative Joint Committee on Finance starting in late February or March. Hearings usually last one day for the UW system. Occasionally legislators make appeals for campuses concerning UW Central or executive branch decisions. Major issues are resolved in committee caucus sessions attended by both DOA and LFB staff.

Budget Bill: DOA drafts the governor's budget bill and LFB drafts subsequent legislative versions. However, General Program Operations is a single line comprising the major appropriation for the UW system as a whole. This category is disaggregated by campus cluster, not by campuses. In addition, General Program Operations is disaggregated into five WICHE/NCHEMS PCS programs and Faculty Compensation for the total UW system.

Control and Veto: Legislative control is exercised by the establishment of specific lines in the budget bill and by the expression of intent in motions adopted by the Joint Committee on Finance and by the Conference Committee. The latter, unlike the budget bill, sometimes refer to specific campuses. Transfers between clusters require DOA approval while transfers between programs need only be reported quarterly. The governor has line-item veto authority, but cannot reduce items within lines.

WISCONSIN HIGHER EDUCATION OPERATING BUDGET FLOW CHART (1973–75 BUDGET)


DATE
INSTITUTIONS
STATE HIGHER EDUCATION AGENCY
GOVERNOR'S OFFICE
LEGISLATURE
University of Wisconsin Central Staff (UW Central)
Department of Administration (DOA)
Legislative Fiscal Bureau (LFB)
FEB 1972
MAR
APR
MAY
JUNE
JULY
AUG
SEP
OCT
NOV
DEC
JAN 1973
FEB
MAR
APR
MAY
JUNE
JULY
Instructions to campuses
Issues Governor's policy directive and DOA procedural manual
Submit requests
Instructions for reconciliation
Staff visit institutions for background for policy papers, determine campus issues
Submit revised requests
Reviews and analyzes, prepares justifications in decision information narratives (DINS), holds informal discussions with DOA, prepares Regents' budget
Prepares policy papers, holds informal discussions with UW Central
Submits Regents' budget
Negotiates with DOA, continues review of DINS
Reviews and analyzes, holds informal discussions with UW Central; prepares governor's budget
Review Regents' budget; prepare issue papers, prepare joint legislative budget committee hearings and caucus sessions
Makes final budget decisions
Submits governor's budget
Makes 1973–74 allocations to institutions based on governor's budget, provides testimony
Formal hearings joint legislative budget committee and subsequent discussions with system administration or specific issues
Provides testimony
Caucus sessions, joint legislative budget committee
Participates in in caucus sessions
Writes budget bill
Hearings on budget bill in both houses, legislature passes budget bill
Governor signs or vetoes (line-item and reduction) budget bill

Appendixes

Appendix A:

Sampling Procedure for Selection of the Seventeen States

The 17 states chosen for field investigation are intended to be representative of all 50 along three dimensions. Our primary criterion was geographic distribution. Each of the nine geographic divisions of the United States is represented by at least one state. Regionally, four states are in the West, five in the North Central, three in the Northeast, and five in the South:

Table A-1: Seventeen States by Region

West	North Central	Northeast	South
California	Illinois	Connecticut	Florida
Hawaii	Kansas	New York	Mississippi
Washington	Michigan	Pennsylvania	Tennessee
	Nebraska		Texas
	Wisconsin		Virginia

Source: Table II-85

A second criterion was diversity in types of state higher education agencies. The classifications used here and the distribution of the 17 states among them are as follows:

Table A-2:

Seventeen States by Type of State Higher Education Agency

Voluntary Coordination	Consolidated Governing Board	Separate Coordinating Agency	Coordination through State Education Department
Nebraska	Florida	California	Michigan
	Hawaii	Colorado	New York
	Kansas	Connecticut	Pennsylvania
	Mississippi	Illinois	
	Wisconsin	Tennessee	
		Texas	
		Virginia	
		Washington	

Source: Table II-17

A third and more subjective criterion for selection was diversity in both the state budget process in general, e.g. annual or biennial cycles, and that for higher education in particular, e.g. use of formulas. Current information on the general budgetary processes was available to us but that concerning budgeting for higher education was fragmentary.[20] Selection according to these criteria was in part objective, as in assuring that states such as Texas and Wisconsin with biennial budget cycles were included. In part, however, it was based on personal knowledge of apparently relevant characteristics, e.g. a dominant legislature in Colorado, a strong budget formula in Texas.

---

[20] Budgeting by the States, a 1967 publication of the Council of State Governments, Lexington, Kentucky, is a detailed descriptive survey of state budgeting in general. The Book of the States published every other year by the same organization contains useful discussion of changes in budgetary structures and processes.

Cooperation of state officials was, of course, essential. Virginia was selected, for example, because a statewide official expressed an early and continuing interest in inclusion. On the other hand, an almost 100% turnover of executive and legislative fiscal staff caused an official of another state to request that it be dropped from the study.

Neither the size of state population nor of appropriations for higher education were primary criteria, and smaller states with smaller appropriations for higher education are not well represented. Among the 17, only Hawaii has a population of less than one million while California, Illinois, Michigan, New York, Pennsylvania, and Texas are among the nation's largest with the largest overall appropriations. On the other hand, if the appropritions are considered on a per student, per capita, or per $1,000 personal income basis, the most recent, generally available information indicates greater representativeness than do total appropriations.

Table A-3:
Distribution of Appropriations for Higher Education of Seventeen States by National Quintiles

Quintile	Total Appropriation	Appropriation per Student	Appropriation per Capita	Appropriation per $1,000 Personal Income
Top	8	4	5	2
Second	2	4	5	4
Third	4	3	3	6
Fourth	3	4	1	3
Bottom	0	2	3	2
Total:	17	17	17	17

Source: Table II-56

The inclusion of Hawaii among any sample of states where field investigation is required raises the suspicion of climatic criteria for its selection. It should be noted, therefore, that interviews were conducted in Wisconsin in February and in Hawaii in July.

The extent to which these 17 states in fact represent the other 33 will be known when selective portions of the study are extended to 50 states.

Appendix B:

Representative Special Studies

CALIFORNIA

Coordinating Council for Higher Education:

"Faculty Salaries and Benefits at the University of California and the California State University and Colleges" (March 1973). Annual.

"The Costs of Instruction in California Public Higher Education" (February 1974). Annual.

COLORADO

Colorado Commission on Higher Education:

"Faculty Workload Workbook" (Undated mimeo).

Legislative Audit Committee:

"Performance Audit of the Budgeting Process (at the University of Colorado)" (February 1973).

CONNECTICUT

(None received)

FLORIDA

State University System:

"State University System of Florida: Current and Alternative Fee Structures" (February 20, 1973).

"Report of the Governor's Management and Efficiency Study Commission."

HAWAII

Legislative Auditor:

"Audit of the Hawaii Educational Television System" (April 1971).

"Audit of the University of Hawaii's Faculty Work Load" (February 1973).

University of Hawaii System - Analytical Studies Office:

"Costs per Major Study: A Methodology for Converting the Cost of 'Offering Courses' to the Cost of 'Students Taking Courses'" (April 1973).

"University of Hawaii Enrollment Projections 1973-1980" (December 1973).

"University of Hawaii Academic Crossover Study: Hawaii Community College Fall 1973" (February 1974).

"University of Hawaii Academic Crossover Study: University of Hawaii at Manoa Fall 1973" (May 1974).

"University of Hawaii Instructional Unit Cost Study for the Fiscal Year Ended June 30, 1973" (June 1974).

ILLINOIS

University of Illinois:

"Salary Adjustments at the University of Illinois" (September 1973).

"Operation and Maintenance Deficiencies at the University of Illinois" (September 1973).

"Equipment Deficiencies at the University of Illinois" (September 1973).

"Library Deficiencies at the University of Illinois" (September 1973).

"Program Deficiencies at the University of Illinois" (September 1973).

"Replacement of Reductions in Federal Fund Support at the University of Illinois" (September 1973).

"Health Professions' Expansion at the University of Illinois" (September 1973).

"Program Expansion and Cost Increases for the Division of Services for Crippled Children at the University of Illinois" (September 1973).

KANSAS

(None received)

MICHIGAN

State Department of Education:

"Advising on Educational Needs in Michigan, 1973-74" (1973).

"Planning and Management Systems for Public Higher Education in the State of Michigan" (February 1973).

"Advising on the Program Offerings and Services of Michigan Colleges and Universities" (August 1973).

"Advising on Financial Requirements of Michigan Colleges and Universities: Institutional Size" (1974).

"Equality of Access to Postsecondary Education" (April 1974).

MISSISSIPPI

(None received)

NEBRASKA

Nebraska Higher Education Facilities Commission:

"Nebraska Enrollment Projection System 1972-77" (May 1973).

Legislative Fiscal Office:

"A Model for the Measurement of Instructional Quality" (April 1974).

Private Consultants Report to the Legislative Interim Study Committee on Higher Education:

"Management Information Systems for Nebraska Higher Education" (February 1973).

NEW YORK

Bureau of the Budget:

"Budgeting the State University of New York" (Draft, July 1973).

Senate Finance Committee:

"New York City Community Colleges: SUNY or CUNY Responsibility?" (October 1973).

Assembly Ways and Means Committee:

"Staff Report on Recommendations for Changes in the Format and Content of the State Budget and Appropriation Bills" (October 1971).

Joint Legislative Committee on Legislative Fiscal Analysis and Review:

Report (March 1970).

State University of New York:

"Campus-Central Relationships - A Series of Working Papers Prepared for a Joint State University-Middle States Association Seminar" (September 1973).

State Education Department:

"Financial Aid for New York State Students" (March 1974).

"Meeting the Needs of Doctoral Education in New York State" (January 1973).

"Financing Higher Education in New York State" (August 1973).

"Projected Full-Time Undergraduate Enrollments for New York State through 1990" (October 1973).

"Major Recommendations of the Regents for Legislative Action" (December 1973).

"The State-Aided Colleges: Financial Profiles - 1969-1973" (March 1974).

PENNSYLVANIA

Office of the Budget - Division of Program Audit:

"A Program Audit of Physician Education in Pennsylvania" (November 1972).

Pennsylvania Association of Colleges and Universities:

"A Comprehensive Proposal for Financing Higher Education in Pennsylvania" (January 1974).

TENNESSEE

Tennessee Higher Education Commission:

"Academic Program Change in Response to Changing Societal Needs" (June 1974).

TEXAS

Coordinating Board:

"Coordinating Board Policy Paper 9: Designation of Formulas" (June 1970).

VIRGINIA

Division of the Budget:

"Analysis of Appropriations and Revenues 1972-74 Biennium" (July 1973).

House Appropriations Committee Staff:

"Selected Topics in the Field of Higher Education, Part I: The Peer Group System for Establishing Academic Salaries; Part II: Relationship of General Fund Appropriations and Individual Institution Fee Structure" (July 1974).

General Assembly Commission on Higher Education:

"Report of January 1974" covered following topics: Management of Virginia's State-Supported Institutions of Higher Education; The Coordination and Governance of Higher Education in Virginia; The Relationship between Virginia's Private Institutions and the State; Legal Education and Manpower Requirements in Virginia.

WASHINGTON

Office of Program Planning and Fiscal Management:

"Faculty Emoluments - Those Being Realized and the Policies Regarding Them in Washington State's Institutions of Higher Education" (March 1973).

"Enrollment Projections: Four Year Public Colleges and Universities, Community Colleges, Common Schools" (November 1973 - Population Studies Division).

Legislative Budget Committee:

"Performance Audit (of) Community College System Cost Model" (Preliminary, May 17, 1974).

Council on Higher Education:

"Financing Post-Secondary Education in the State of Washington: Refinements to the Existing System" (June 1973).

"Cost Data Reporting Manual (for) 1972-73 Higher Education Cost Study" (November 1973).

"Survey of Current Circumstances: Educational Offerings in Washington Post-Secondary Education" (Undated draft - probably 1973).

"Higher Education Model Budget Analysis Systems" (August 1973).

"Recommendations for Institutional Roles and Missions in Washington, Part I: The State Colleges and Universities" (December 1973).

"Recommendations for the Development of Postsecondary Education in Washington" (May 1974).

WISCONSIN

Legislative Fiscal Bureau:

"Background Information"
- Wisconsin Support for Higher Education Compared to Other State's Support
- Budget Overview
- Budget, Enrollment, and Position History
- Tentative UW System Trilevel Fee and Tuition Schedule for 1973-75
- Cost per Student
- Faculty-Student Ratios
- Administrative Costs

"Faculty Compensation"
- Summary of Faculty Compensation Increases, 1971-73 and 1973-75
- Governor's Recommendation
- Criteria for Evaluating Faculty Salary Increases
- Teacher Incentive Leave Program

"Clearing Accounts and Related Issues"
- Background
- UW Budget for Computing Services
- UW Budget for Educational Technology
- "The Wisconsin Idea"
- Academic Program Proposals
- Graduate Program Duplication
- Academic Programs in Health Sciences

"Workload and Related Issues"
- Non-Recurring Costs
- General Operation and Maintenance of New Facilities
- UW Budget for Library Services
- Financial Aid
- Trust Fund Administration
- Miscellaneous Minor Issues
- Long Distance Telephone

"Other Policy Changes"
- UW Center System
- UW-Milwaukee Parking - Transportation
- Transfer of Funds from the UW-Madison College of Agriculture

Department of Administration:

"Should the University of Wisconsin Develop a Teaching Incentive Program for Faculty?"

"What Changes should be Made in the State's Program of Compensating Faculties?"

"What Changes Should Be Made to Strengthen the Programming and to Reduce the Costs of Institutions in the UW Center System?"

"Should the State Continue Its Present Level of Support for Non-Instructional Activities Utilizing University Facilities or Personnel?"

"How Should the University's Custodial and Maintenance Formula Be Modified to Provide Better Utilization of Resources?"

"How Should the State Ensure the Most Cost-Effective Use of Funds Budgeted for Areas in Which the University Has Not Yet Developed Detailed Program Plans and in Areas in Which Planning Requires Further Refinement?"

"How Shall the UW System Reduce Excess Dormitory Capacity?"

University of Wisconsin System:

"User Fee Study"

"Facilities Utilization Study"

"Physician's Assistant Program"

"Academic Program Evaluation"

"Public Service/Wisconsin Idea Study"

"Student Employment Budgeting"

"Center System Study"

"Educational Technology Study"

"Computing Study"

"Physical Plant Maintenance Study"

"Dormitory Study"

HE 007 761

ED 139 303

End